

EXHIBIT 116

Redacted Version of Document Sought to be Sealed

**Full 30(b)(6) Deposition Transcript of
Amy Lee,
dated February 24, 2021**

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

IN RE: FACEBOOK, INC. CONSUMER) MDL No. 2843
PRIVACY USER PROFILE LITIGATION) Case No.
_____) 18-md-02843-VC

This document relates to:)
ALL ACTIONS)
_____)

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REMOTE VIDEOTAPED DEPOSITION BY VIRTUAL ZOOM OF
FACEBOOK INC. REPRESENTATIVE,
AMY LEE
WEDNESDAY, FEBRUARY 24, 2021

Reported by:
Ashala Tylor, CSR #2436, CLR, CRR, RPR
JOB NO. 4473156
PAGES 1 - 226

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Videotaped deposition of Facebook, Inc.
representative, AMY LEE, taken via virtual Zoom,
commencing at 11:08 a.m. and ending at 5:48 p.m., on
Wednesday, February 24, 2021, before Ashala Tylor, CSR
No. 2436, RPR, CRR, CLR.

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1 A P P E A R A N C E S (continued)

2 Also Present:

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4 Kimberly Decker, Videographer

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I N D E X

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INSTRUCTION NOT TO ANSWER:

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1 Wednesday, February 24, 2021

2 11:08 a.m.

3 --o0o--

4

5 THE VIDEOGRAPHER: Good morning. We are 11:08
6 going on the record at 11:08 on February 24th of 11:08
7 2021. 11:08

8 All participants are attending remotely. 11:08
9 Audio and video recording will continue to take 11:08
10 place unless all parties agree to go off the record. 11:08

11 This is Media Unit 1 of the recorded 11:08
12 deposition of Amy Lee, Facebook, Inc. 11:08
13 representative, taken by counsel for the plaintiffs 11:08
14 in the matter regarding Facebook, Inc. Consumer 11:08
15 Privacy User Profile Litigation filed in the 11:08
16 United States District Court, Northern District of 11:08
17 California, Case Number 18-md-02843-VC. 11:09

18 My name is Kimberly Decker from Veritext 11:09
19 Legal Solutions and I'm the videographer. The court 11:09
20 reporter is Ashala Tylor. I'm not related to any 11:09
21 party in this action, nor am I financially 11:09
22 interested in the outcome. 11:09

23 Counsel and all present will now state 11:09
24 their appearances and affiliations for the record. 11:09
25 If there are any objections to proceeding, please 11:09

1	state them at the time of your appearance, beginning	11:09
2	with the noticing attorney.	11:09
3	MR. KO: Good morning, everyone. David Ko	11:09
4	of Keller Rohrbach on behalf of the plaintiffs.	11:09
5	MS. LAUFENBERG: Cari Laufenberg on behalf	11:09
6	of the plaintiffs.	11:09
7	MR. LOESER: Derek Loeser on behalf of	11:09
8	plaintiffs from Keller Rohrbach.	11:09
9	MR. SPRINGER: Chris Springer of Keller	11:09
10	Rohrbach for plaintiffs.	11:09
11	MS. WEAVER: Good morning. Lesley Weaver	11:09
12	of Bleichmar Fonti & Auld for plaintiffs.	11:09
13	MR. MONTGOMERY: Matt Montgomery,	11:10
14	Bleichmar Fonti & Auld, for plaintiffs.	11:10
15	MS. DAVIS: Anne Davis, Bleichmar Fonti &	11:10
16	Auld, for plaintiffs.	11:10
17	MR. MELAMED: Good morning. Matt Melamed,	11:10
18	Bleichmar Fonti & Auld, for plaintiffs.	11:10
19	MR. FALCONER: Russ Falconer for Facebook	11:10
20	and the witness.	11:10
21	MR. DAVIS: Colin Davis, Gibson, Dunn &	11:10
22	Crutcher, for Facebook and the witness.	11:10
23	MS. CLARK: Martie Kutscher Clark at	11:10
24	Gibson, Dunn & Crutcher for Facebook and the	11:10
25	witness.	11:10

1 MR. GRANT: Shaquille Grant from Gibson, 11:10
2 Dunn & Crutcher for Facebook and the witness. 11:10
3 MR. CHEN: And this is Ian Chen. I'm 11:10
4 in-house counsel for Facebook. 11:10
5 THE VIDEOGRAPHER: Thank you. Would the 11:11
6 court reporter please swear in the witness. 11:11
7 AMY LEE, 11:11
8 being first duly sworn or affirmed to testify 11:11
9 to the truth, the whole truth, and nothing but 11:11
10 the truth, was examined and testified as follows: 11:11
11 EXAMINATION 11:11
12 BY MR. KO: 09:23
13 Q. Good morning, Amy. As you can see, we 11:11
14 have a full house. You're quite popular this 11:11
15 morning. 11:11
16 Do you go by Amy or Ms. Lee? 11:11
17 A. Amy is fine. 11:11
18 Q. And, Amy, have you been deposed before? 11:11
19 A. Yes. 11:11
20 Q. Okay. Have you been deposed before in 11:11
21 your capacity as an employee of Facebook or in your 11:11
22 individual or personal capacity? 11:11
23 [REDACTED] 11:11
24 Q. Okay. And how many times have you been 11:11
25 deposed? 11:11

1 [REDACTED] 11:11

2 Q. Okay. And in that deposition was it in 11:11

3 connection with a case involving Facebook? 11:11

4 [REDACTED] 11:11

5 Q. And what was the nature of that case? 11:11

6 [REDACTED] 11:11

7 Q. Okay. And do you know who the parties 11:11

8 were in that case in addition to, of course, your 11:12

9 employee Facebook -- employer Facebook? 11:12

10 [REDACTED] [REDACTED] 11:12

11 [REDACTED] 11:12

12 Q. Okay. And when was that deposition or 11:12

13 when did you sit for that deposition? 11:12

14 [REDACTED] 11:12

15 Q. Okay. We can maybe talk about that 11:12

16 deposition a little later, but I want to just make 11:12

17 sure that you are familiar with some of the ground 11:12

18 rules for the deposition that are important to me. 11:12

19 Obviously every lawyer has their preference on what 11:12

20 the rules are, but let me just go over a few. 11:12

21 The court reporter here has the most 11:12

22 important job. She is transcribing everything that 11:12

23 we are saying and discussing, and she's trying to 11:12

24 create a record for us. So it's very important that 11:12

25 we don't talk over each other to the best of our 11:12

1 ability while we're doing the questioning. 11:12

2 Does that sound okay to you? 11:12

3 A. Yes. 11:12

4 Q. Okay. So to the extent -- and to the 11:12

5 extent I ask yes-or-no questions and your answer is 11:13

6 in fact yes or no, please try and answer that way 11:13

7 rather than shaking your head or nodding your head, 11:13

8 especially given that we're remote today. 11:13

9 Does that sound okay? 11:13

10 A. Yes. 11:13

11 Q. Okay. And from time to time your counsel, 11:13

12 Mr. Falconer, maybe others, might object to my 11:13

13 questioning. And unless Mr. Falconer specifically 11:13

14 instructs you not to answer, I'd ask that you answer 11:13

15 the question anyhow. Okay? 11:13

16 A. Understood. 11:13

17 Q. And I believe we have roughly five hours 11:13

18 to take this deposition. It might be a little less. 11:13

19 But we'll try to take as many breaks as possible. 11:13

20 But if you ever need a break, just let me know and 11:13

21 we'll try our best to accommodate, okay? 11:13

22 A. Yes. Thank you. 11:13

23 Q. Amy, is there anything that you can think 11:13

24 of that will prevent you from testifying truthfully 11:13

25 or honestly today? 11:13

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1 otherwise, okay? 11:14

2 A. Okay. 11:15

3 Q. What did you do to prepare for this 11:15

4 deposition today? 11:15

5 A. I met with my counsel several times to 11:15

6 review potential -- to review the topics that I 11:15

7 would be expected to testify on and review some 11:15

8 documents that might come up in the course of 11:15

9 today's deposition. 11:15

10 Q. And how many times did you meet with 11:15

11 counsel? 11:15

12 A. This was probably about four times over 11:15

13 the past several weeks. 11:15

14 Q. Okay. And how many hours total 11:15

15 approximately would you say you spoke with counsel? 11:15

16 A. 10 or 11. 11:15

17 Q. Okay. And who did you prepare with? 11:15

18 A. It was Russ Falconer, Colin Davis, 11:15

19 Shaquille Grant, and Ian Chen. 11:15

20 Q. Okay. Outside of these attorneys that I 11:16

21 believe are all here and present today, did you 11:16

22 speak with anyone else at Facebook about this 11:16

23 deposition? 11:16

24 A. I spoke with Facebook colleagues who were 11:16

25 product experts on certain topics that we think may 11:16

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1 Q. So you spoke with each of these 11:18
2 individuals once in addition to chatting with them 11:18
3 on the chat platform or Workplace chat? 11:18
4 A. Sorry. I communicated with each of these 11:18
5 individual once, whether it was on the chat threads 11:18
6 or via videoconference. 11:18
7 Q. I see. Thank you. 11:18
8 And about how many hours total would you 11:18
9 say, approximately speaking, did you spend chatting 11:18
10 with these individuals? 11:18
11 (Off the record discussion.) 11:19
12 BY MR. KO: 11:19
13 Q. Amy, do you remember -- I'll ask again. 11:19
14 How many hours total would you say, 11:19
15 approximately speaking, did you spend speaking with 11:19
16 each of these individuals? 11:19
17 A. Uh-huh. Cumulatively, probably an hour or 11:19
18 two. A little harder to estimate for the chat 11:19
19 conversations given they were more asynchronous. 11:19
20 Q. Sure. And let's start with Hector Ross, 11:19
21 did you say? 11:19
22 A. Ramos. 11:19
23 Q. Hector Ramos. What's his position at 11:19
24 Facebook? 11:19
25 A. I'm not sure of his current position, but 11:20

1 I spoke with him because he had context on a 11:20
2 specific product historically that we were 11:20
3 interested in. 11:20

4 Q. What product is that? 11:20

5 A. Parse. 11:20

6 Q. Okay. And Greg Williams, and what's his 11:20
7 current role at Facebook? 11:20

8 A. Similarly not sure about his current role, 11:20
9 but I spoke with him about a product, Karma, that we 11:20
10 historically offered at Facebook. 11:20

11 Q. V.J., I didn't catch his last name, her or 11:20
12 his last name, but V.J.? 11:20

13 A. Balan, B-A-L-A-N. 11:20

14 Q. Okay. And what is his position at 11:20
15 Facebook and what did you speak to him about? 11:20

16 A. I'm unsure of his current position, but I 11:20
17 spoke to him about LiveRail over the time period in 11:20
18 question. 11:21

19 Q. And then there was an Abhishek. What did 11:21
20 you speak to him about and what is his current 11:21
21 position? 11:21

22 A. Abhishek Doshi. Not sure on his current 11:21
23 position, but I spoke to him about a product called 11:21
24 Promoted Posts over the time period in question. 11:21

25 Q. Mary Wrenn, same question: What did you 11:21

1 speak to her about and what is her current position? 11:21

2 A. Uh-huh. That's Margaret Wrenn. 11:21

3 Q. Oh, I'm sorry. 11:21

4 A. And also unsure of her current position, 11:21

5 but spoke to her based on her context about the 11:21

6 donations product that we offered during this time 11:21

7 period. 11:21

8 Q. And lastly Deb Liu, same question. 11:21

9 A. Deb Liu is -- I believe she's a VP of 11:21

10 marketplace and commerce currently. But spoke to 11:21

11 her about getting her contacts on the mobile app 11:22

12 install ads products during the time period in 11:22

13 question. 11:22

14 Q. And I believe all these products that you 11:22

15 just described, they are included in the document I 11:22

16 believe you reviewed and your counsel very helpfully 11:22

17 provided to us last night; is that correct? 11:22

18 [REDACTED] 11:22

[REDACTED] 11:22

20 Q. And generally speaking, each of these 11:22

21 products are represented in that document and 11:22

22 represent various channels of revenue that Facebook 11:22

23 generates for its business, correct? 11:22

24 [REDACTED] 11:22

[REDACTED] 11:22

1 [REDACTED] 11:22

2 Q. Okay. And were these conversations with 11:22

3 these individuals set up by counsel for you or did 11:23

4 you reach out to these individuals yourself to try 11:23

5 and understand and prepare for -- to try and 11:23

6 understand these products and prepare for your 11:23

7 deposition today? 11:23

8 A. They were arranged by counsel. 11:23

9 Q. Did you know these individuals prior to 11:23

10 preparing for this deposition today? 11:23

11 A. I knew of them but did not know them 11:23

12 personally. Knew of some of them but did not know 11:23

13 them personally. 11:23

14 Q. So other than these chats and these 11:23

15 conversations that you had -- and again, of course, 11:23

16 I know you reviewed this document that we're 11:23

17 discussing that we'll get into in a little bit. But 11:23

18 other than these things, did you review any other 11:23

19 documents in preparation for this deposition today? 11:23

20 A. Yes. 11:23

21 Q. And what would those documents be? 11:23

22 A. This is -- which documents did I review 11:24

23 with counsel in advance of today? 11:24

24 Q. Yes. Or more generally, what documents 11:24

25 did you review in preparation for this deposition? 11:24

1	A. Oh, I see. Okay.	11:24
2	So among the documents were -- I did	11:24
3	review with counsel a document that showed the topic	11:24
4	that I would be expected to testify on today.	11:24
5	I think that I reviewed an excerpt from	11:24
6	the complaint. Reviewed some internal emails.	11:24
7	Reviewed a -- an excerpt from some litigation by	11:24
8	Facebook against a company called Rankwave.	11:25
9	And I also reviewed some external	11:25
10	resources around a couple of ads products to refresh	11:25
11	my memory about how those products functioned during	11:25
12	the time period in question.	11:25
13	Q. Okay. And by external resources, what do	11:25
14	you mean?	11:25
15	A. For example, I did a Google search on a	11:25
16	few products.	11:25
17	Q. Which -- which products?	11:25
18	A. Specifically looked at Facebook Exchange.	11:25
19	Q. Any other products you looked at for your	11:25
20	external review?	11:25
21	A. That was -- that was the product that I	11:26
22	looked to those external resources for.	11:26
23	Q. When you mentioned a moment ago that you	11:26
24	reviewed excerpt -- excerpts from the complaint,	11:26
25	which specific excerpts did you review?	11:26

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1 A. Oh, from the -- the complaint in this 11:26
2 case. I -- I can't recall the specific excerpt that 11:26
3 we reviewed. 11:26

4 Q. Okay. Did counsel direct you to which 11:26
5 portions to review? 11:26

6 A. Yes. 11:26

7 Q. By the way, what is your understanding of 11:26
8 what this case is about? 11:26

9 MR. FALCONER: Just to clarify, David, are 11:27
10 you asking her personally or are you asking her for 11:27
11 an official position on behalf of the company? 11:27

12 MR. KO: I'm just asking a question at 11:27
13 this deposition what she thinks -- she believes the 11:27
14 complaint is about. 11:27

15 MR. FALCONER: I'll object that the 11:27
16 question is beyond the scope of the notice, but go 11:27
17 ahead. 11:27

18 [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] 11:28

22 BY MR. KO: 11:28

23 Q. Okay. And with respect to -- well, I 11:28
24 just -- I just see that you looked down at something 11:28
25 right now. Were you looking at the complaint or 11:28

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1 something else? 11:28

2 [REDACTED] [REDACTED] 11:28

3 [REDACTED] 11:28

4 Q. Okay. 11:28

5 MR. FALCONER: I'm going -- I'm going to 11:28

6 move to strike that last answer from the record and 11:28

7 I'm going to remind -- just remind Ms. Lee not to 11:28

8 disclose the contents of any conversations with 11:28

9 counsel in any of your answers here today. 11:28

10 So we'll move to strike that or claw that 11:28

11 last answer back on privilege grounds, and just 11:28

12 going forward, anything you learn only from counsel, 11:28

13 don't share that as part of your answer. 11:28

14 MR. KO: And for the record, we oppose 11:29

15 that motion to strike. 11:29

16 Q. Amy, in addition to the materials that you 11:29

17 reviewed -- and it sounds like you prepared some 11:29

18 notes to prepare for this deposition -- is there 11:29

19 anything else that you looked at or reviewed to 11:29

20 prepare for this deposition today? 11:29

21 [REDACTED] [REDACTED] 11:29

[REDACTED] [REDACTED] 11:29

[REDACTED] [REDACTED] 11:29

[REDACTED] [REDACTED] 11:29

[REDACTED] 11:29

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1 Q. And what were those internal slide 11:29
2 presentations? What did those internal slide 11:30
3 presentations consist of? 11:30

4 [REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] 11:30

10 Q. Okay. And when you said "internal 11:30
11 briefs," what do you mean by that? 11:30

12 [REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] 11:31

20 Q. And by that you mean outside of the 2012 11:31
21 through 2017 time period? 11:31

22 A. Correct. 11:31

23 Q. And all these documents, I assume, were 11:31
24 provided to you by counsel? 11:31

25 A. The internal documents, yes. 11:31

1 Q. Okay. I'm going to show you -- you 11:31
2 actually don't have to access the Marked Exhibits
3 folder for this, but I'm just going to go ahead and
4 share my screen and show you a copy of an exhibit
5 that's been previously marked in this case.

6 MR. KO: And for the record -- oh-oh. 11:31
7 Court reporter says that my share screen option has 11:32
8 been disabled. 11:32

9 THE REPORTER: The videographer will 11:32
10 enable it. 11:32

11 THE VIDEOGRAPHER: I can do it. Hold on. 11:32

12 MR. KO: Sure. 11:32

13 THE VIDEOGRAPHER: Go ahead. 11:32

14 MR. KO: Voila. Thank you. 11:32

15 Q. Okay. And just so the record is clear, 11:32
16 this is an exhibit that was marked at a previous 11:32
17 deposition, Facebook Exhibit 1. And this is a copy 11:32
18 of the 30(b)(6) deposition notice that we provided 11:32
19 to Facebook in this matter. 11:32

20 Earlier, a moment ago, you had described 11:32
21 seeing a document that reflected the topic that you 11:32
22 were supposed to testify about today. Is this that 11:32
23 document, Amy? 11:32

24 A. I believe so. I think I specifically 11:32
25 looked at the piece of this -- this page of the 11:32

1 document where in bullet point 2 here, it describes 11:33
2 the topic that I'm meant to be testifying about. 11:33
3 Q. So the record is clear, this is 11:33
4 Schedule A, Section III. And Topic 2 in particular 11:33
5 is the topic you're testifying about on behalf of 11:33
6 Facebook today; is that correct? 11:33
7 A. Yes. 11:33
8 Q. And this topic says "How Facebook 11:33
9 monetizes - directly or indirectly - and thus values 11:33
10 user data." 11:33
11 Did I read that correctly? 11:33
12 A. Yes. 11:33
13 Q. So you understand that to be the topic 11:33
14 that you're testifying and providing corporate 11:33
15 testimony for Facebook for today, correct? 11:33
16 A. Yes. 11:33
17 Q. And did you also look at this Schedule B 11:33
18 of this notice? 11:33
19 A. No, I don't recall looking at this page. 11:34
20 Q. Okay. So there is a part of this notice, 11:34
21 and in particular, if you see Section 1, or 11:34
22 paragraph 1 of this schedule, it requests the 11:34
23 documents that you have consulted or reviewed in 11:34
24 preparation for your deposition. And it sounds like 11:34
25 you have obviously reviewed a lot of documents to 11:34

1 prepare for this deposition, correct? 11:34

2 A. I reviewed several documents. 11:34

3 Q. And were you ever asked to produce -- were 11:34

4 you ever asked by counsel to produce all the 11:34

5 documents that you reviewed? 11:34

6 MR. FALCONER: Objection. I'm going to 11:34

7 instruct the witness not to answer that question. 11:34

8 It requires communications with her counsel. 11:34

9 MR. KO: Okay. So at this point, Russ, 11:34

10 we'll just go ahead and formalize our request 11:34

11 consistent with this amended notice that -- and as 11:34

12 we communicated to you several times before this 11:34

13 deposition -- that you provide us with all the 11:34

14 documents that Ms. Lee reviewed in connection with 11:35

15 this deposition and the documents she reviewed to 11:35

16 prepare for this deposition. 11:35

17 MR. FALCONER: Yes, I understand that. I 11:35

18 think we've separately lodged our objections to that 11:35

19 and we can take that up at an appropriate time. 11:35

20 MR. KO: And just so the record is clear, 11:35

21 we also reserve the right to reopen this deposition 11:35

22 to talk about any topics that those documents will 11:35

23 reveal that we can't get into today. 11:35

24 MR. FALCONER: Right. And we reserve our 11:35

25 right to oppose that request. 11:35

1 BY MR. KO: 11:35

2 Q. Amy, the second topic, there's a request 11:35

3 here for your CV. And I know that you said that you 11:35

4 didn't review this. But just so we're clear, 11:35

5 counsel never asked you to provide your CV in 11:35

6 preparation for this deposition; is that correct? 11:35

7 MR. FALCONER: Again, I'm going to 11:35

8 instruct the witness not to answer any question that 11:35

9 asks about any conversations she did or didn't have 11:35

10 with counsel. 11:35

11 BY MR. KO: 11:35

12 Q. Have you produced a CV in this case? 11:35

13 A. No. 11:35

14 Q. Okay. Do you have one? 11:35

15 A. Yes. 11:35

16 Q. And if asked to produce it, would you 11:36

17 produce it? 11:36

18 MR. FALCONER: Objection. That's beyond 11:36

19 the scope of the notice of the deposition. 11:36

20 MR. KO: It's actually in the notice, but 11:36

21 I understand. 11:36

22 Q. So if asked to produce it, would you 11:36

23 produce it, Amy? 11:36

24 MR. FALCONER: I'm going to instruct the 11:36

25 witness not to answer that question. That's a 11:36

1 question that's appropriately directed to counsel, 11:36
2 not to a fact witness. 11:36
3 MR. KO: Okay. I'm going to stop sharing 11:36
4 here. 11:36
5 Q. I believe that document is no longer on 11:36
6 your screen; is that right? 11:36
7 A. Correct. 11:36
8 Q. Okay. What is your current position at 11:36
9 Facebook? 11:36
10 A. I'm a product marketing lead. 11:36
11 Q. What are your roles and responsibilities 11:36
12 as product marketing lead? 11:36
13 A. I manage a team of product marketing 11:36
14 managers. And collectively our team's 11:36
15 responsibilities are to work with product teams to 11:36
16 clarify the types of -- clarify what advertiser 11:37
17 needs are and what relevant market opportunities are 11:37
18 to help determine where we should make certain 11:37
19 product investment -- product investments across a 11:37
20 certain portion of our ads products portfolio. 11:37
21 And we work with product teams to actually 11:37
22 develop those ads products, work with advertisers to 11:37
23 test those ads product and, hopefully, establish 11:37
24 whether we are meeting the needs of the market -- 11:37
25 meeting the needs of advertisers with those 11:37

1 products. 11:37

2 And once we've gotten to a place where 11:37

3 we're ready to actually launch ads products more 11:38

4 broadly, we are responsible for formulating 11:38

5 go-to-market and launch strategies to actually roll 11:38

6 out these products to a broader advertiser audience. 11:38

7 Q. That's helpful. And I imagine throughout 11:38

8 the course of today we'll talk about some of those 11:38

9 responsibilities, but how long have you been in that 11:38

10 role? 11:38

11 A. I have been in the product marketing lead 11:38

12 role since 2017. 11:38

13 Q. And by "lead," do you mean that you are in 11:38

14 fact -- well, strike that. 11:38

15 Are there any coleads with you or are you 11:38

16 the lead of the group that you just described a 11:38

17 moment ago? 11:38

18 A. I am the lead for product marketing 11:38

19 managers who look after a specific segment of our 11:38

20 ads products, specifically our ads delivery 11:38

21 products. 11:39

22 Q. And how many product marketing managers 11:39

23 report to you? 11:39

24 A. Right now it is about 21. 11:39

25 Q. And who do you report to? 11:39

1 A. Kristen Durkin. 11:39

2 Q. What is her role? 11:39

3 A. She is a product marketing director. 11:39

4 Q. Do you report to anyone else or is she 11:39

5 your direct boss or report? 11:39

6 A. She is my direct manager. 11:39

7 Q. How long have you been at Facebook? 11:39

8 A. A little over 10 years. 11:39

9 Q. And prior -- so you indicated that you 11:39

10 have been the product marketing lead since 2017. 11:39

11 Prior to that, and specifically from the 2012 11:39

12 through 2017 time period, what were your positions 11:39

13 at Facebook during that time? 11:40

14 A. Immediately prior to becoming a targeting 11:40

15 product marketing lead in 2017, from 2015 to 20-- 11:40

16 late 2017, I was a product marketing manager. So an 11:40

17 individual contributor in a similar capacity. 11:40

18 From 2012 to early 2015 I was on our sales 11:40

19 team working directly with advertisers to adopt and 11:40

20 get the most -- the best available performance from 11:40

21 our ads products. 11:40

22 Q. And prior to 2012, and I guess I would say 11:40

23 from when you started up to 2012, what were your 11:40

24 positions at Facebook? 11:40

25 A. The exact title shifted a bit over time, 11:41

1 just given some of the organizational changes 11:41
2 that -- that happened over those years. But I 11:41
3 started at Facebook in 2010. And from 2010 through 11:41
4 2012 I was in that -- a similar kind of account 11:41
5 management sales capacity working directly with 11:41
6 advertisers to use our ads products. 11:41

7 Q. I notice that you're looking at something 11:41
8 while you're answering these questions. Are these 11:41
9 your notes that are helping refresh your 11:41
10 recollection to answer these questions? 11:41

11 A. I'm looking at my LinkedIn profile. 11:41

12 Q. Oh, great. Well, I hope I have the same 11:41
13 one. Why don't we look at that. And this is where 11:41
14 we're going to try out this Exhibit Share. 11:41

15 MR. KO: I'm going to put -- so the record 11:41
16 is clear, I'm going to introduce what will be marked 11:41
17 as Facebook Exhibit 7. 11:41

18 Russ, just so you're aware, this is a 11:42
19 continuation of the exhibits from yesterday, so 11:42
20 we're starting at 7 today. 11:42

21 MR. FALCONER: Got it. Thanks. 11:42

22 (Exhibit 7 was marked for 11:42
23 identification and attached 11:42
24 hereto.) 11:42

25 MR. KO: And it is loading, so hopefully 11:42

1 it shows up shortly. 11:42

2 It must be a large LinkedIn because it is 11:42

3 still loading. Let me just try again. Give me one 11:42

4 second. 11:42

5 Bear with me. I've taken a few of these 11:43

6 remote depositions. It's not always as smooth as 11:43

7 being in person. 11:43

8 Okay. The first one is always going to be 11:43

9 the toughest. I think it's on there now. 11:43

10 Q. Do you see an exhibit that popped up in 11:44

11 your -- 11:44

12 A. Yes, I have it open, the PDF open. 11:44

13 Q. Great. Again, so the record is clear, 11:44

14 this is Exhibit 7. And this appears to be a copy of 11:44

15 your LinkedIn resume. Is that accurate? 11:44

16 A. Yes. 11:44

17 Q. Okay. Now I have to introduce -- or I 11:44

18 have to open it up myself. 11:44

19 All right. So we're both looking at your 11:44

20 LinkedIn profile. 11:44

21 Can you read the first paragraph, the 11:44

22 summary of your skill set at the top there? 11:44

23 A. "Lead monetization, product and 11:44

24 go-to-market strategy for Facebook's Ads Delivery 11:44

25 product group, including ads optimization, 11:44

1 targeting, bidding, insights/guidance, creative, and 11:44
2 Dynamic Ads products." 11:45

3 Q. Okay. And your CV goes on to list your 11:45
4 experience overall, of course, including at Facebook 11:45
5 and the various positions you've held. Are these 11:45
6 accurate descriptions of the job titles and roles 11:45
7 and responsibilities you had at Facebook? 11:45

8 MR. FALCONER: I'm going to object that 11:45
9 this is beyond the scope of what she's prepared to 11:45
10 testify about on behalf of the company. Obviously 11:45
11 it's fine for her to answer based on personal 11:45
12 knowledge, but I just wanted to make that 11:45
13 distinction clear. 11:45

14 THE WITNESS: Yes, these titles and 11:45
15 descriptions are accurate. 11:45

16 BY MR. KO: 11:45

17 Q. You clearly have -- well, is it fair to 11:45
18 say that you clearly have a lot of experience and 11:45
19 expertise about advertising at Facebook? 11:45

20 A. Yes, I would say I have been working in 11:46
21 ads at Facebook for 10 years. 11:46

22 Q. And the first part of your LinkedIn CV in 11:46
23 this exhibit as you just read says that you are a 11:46
24 "Lead monetization, product and go-to-market 11:46
25 strategy for Facebook's Ads Delivery Group." 11:46

1 What do you mean when you say you are a -- 11:46
2 what does monetization mean to you in that context? 11:46
3 A. In this context and, you know, my role as 11:46
4 it describes, I work with my product partners, many 11:46
5 teams, to guide the revenue opportunities that we 11:46
6 pursue within the ads delivery product team. 11:46
7 Q. So is it fair to say that you have 11:47
8 specific expertise with respect to the monetization 11:47
9 of Facebook advertising? 11:47
10 A. My expertise is more confined to the ads 11:47
11 delivery product area. So with that qualification, 11:47
12 I think that that would be fair to say. 11:47
13 Q. So just so the record is clear, then, it 11:47
14 would be fair to say that you have experience with 11:47
15 respect to the monetization of the ad delivery 11:47
16 product area? 11:47
17 A. Yes. 11:47
18 Q. Do you consider yourself to have expertise 11:47
19 in other areas of Facebook outside of advertising or 11:47
20 the monetization of Facebook ads? 11:47
21 MR. FALCONER: Objection. Beyond the 11:47
22 scope of the notice. 11:47
23 BY MR. KO: 11:47
24 Q. You can answer. 11:47
25 A. Outside of the ads delivery product area, 11:47

1 I would say I have some experience in understanding. 11:48
2 But less detailed than my experience and 11:48
3 understanding of the ads delivery product area. 11:48
4 Q. What areas would those be? 11:48
5 MR. FALCONER: Same objection. 11:48
6 THE WITNESS: There aren't any specific 11:48
7 additional ads areas I would call out. In my time 11:48
8 at Facebook, particularly before I started focusing 11:48
9 on ads delivery in 2015, I worked with advertisers 11:48
10 across the range of our ads products. So have some 11:48
11 level of understanding of our ads products at a kind 11:48
12 of broad level. 11:48
13 BY MR. KO: 11:48
14 Q. And do you have an understanding of 11:49
15 Facebook's finances? 11:49
16 MR. FALCONER: Same objection. 11:49
17 THE WITNESS: Yes. 11:49
18 BY MR. KO: 11:49
19 Q. And what is your -- and is that 11:49
20 understanding based on your position as lead of the 11:49
21 ad delivery group? 11:49
22 MR. FALCONER: Same objection. 11:49
23 THE WITNESS: No. I think in terms of 11:49
24 Facebook's overall finances, I have less exposure to 11:49
25 that via my current position. My -- my exposure to 11:49

1 it is really, you know, more around what's broadly 11:49
2 available information -- as information to anybody 11:49
3 on Facebook's financials. 11:49
4 BY MR. KO: 11:49
5 Q. I see. Do you have an understanding of 11:49
6 how Facebook monetizes its business? 11:49
7 A. Yes. 11:50
8 Q. And how does -- how would you say Facebook 11:50
9 monetizes its business? 11:50
10 A. Our biggest revenue stream is from 11:50
11 advertising. 11:50
12 Q. And it's almost exclusively from 11:50
13 advertising; is that fair to say? 11:50
14 A. The large majority is -- is from 11:50
15 advertising. 11:50
16 Q. By the way, the LinkedIn profile that I 11:50
17 introduced as an exhibit, is that similar to the one 11:50
18 you were looking at while we're discussing the 11:50
19 questions at this deposition today? 11:50
20 A. Yes. 11:50
21 Q. And in addition to looking at this, are 11:50
22 you looking at or consulting any other sources of 11:50
23 information to answer my questions, like, for 11:51
24 example, are you browsing the web right now? 11:51
25 A. So far the only resources I have been 11:51

1 looking at are the LinkedIn profile and my chat 11:51
2 history. 11:51

3 Q. And are you communicating with anyone 11:51
4 during this deposition other than, of course, me? 11:51

5 A. No. 11:51

6 Q. Going back to the ads delivery product 11:51
7 group, can you describe to the Court what 11:51
8 specifically they do? 11:51

9 A. The ads delivery products team at a high 11:51
10 level looks after ads products that try to match the 11:51
11 right ads to the right people. And by the right 11:51
12 ads, I mean there are millions of businesses that 11:52
13 come to our advertising platform trying to reach 11:52
14 people who will likely be valuable customers for 11:52
15 them. 11:52

16 So whenever we match an ad to a person -- 11:52
17 when we choose an ad to show to -- when we choose an 11:52
18 ad to show to an individual, we like for the 11:52
19 business running that ad to reach someone who will 11:52
20 likely be valuable to them as a business. 11:52

21 We also want to make sure the person who 11:52
22 is seeing the ad sees content that they will find 11:52
23 useful and relevant and, hopefully, interesting. 11:52

24 So ads products that enable this match to 11:52
25 happen would include things like our ads targeting 11:52

1 products, optimization products. We have certain 11:52
2 insights products that help advertisers make better 11:52
3 choices to reach the right people. We have -- what 11:53
4 are some other examples? 11:53

5 Bidding products, budget products. Those 11:53
6 are a few examples of the things that would fall 11:53
7 under this bucket. 11:53

8 Q. Thank you. That's helpful. 11:53

9 With respect to targeting products, what 11:53
10 does that consist of? 11:53

11 A. On our platform today, advertisers have 11:53
12 different ways they can indicate to us the types of 11:53
13 audiences they would like to have their ads shown 11:53
14 to. So that could include targeting based on 11:53
15 demographics. 11:53

16 I'm thinking of age, gender, location, or 11:53
17 also interests. I think of, you know, types of 11:53
18 content you might interact with on Facebook as a 11:54
19 consumer. We could take some of that activity 11:54
20 and -- we do take some of that activity and 11:54
21 formulate these into targetable interest segments 11:54
22 that advertisers can include as part of the ads they 11:54
23 set up. 11:54

24 There's a long list of other targeting 11:54
25 products, but those are a few examples. 11:54

1 Q. So what are the actual products that 11:54
2 you're managing? 11:54

3 MR. FALCONER: I'm going to object that 11:54
4 this question goes beyond the scope of the topic in 11:54
5 the notice. 11:54

6 You can go ahead and answer. 11:54

7 THE WITNESS: Again, it's a quite long 11:54
8 list of products across those broad areas that I 11:54
9 mentioned, and there are other areas that I actually 11:54
10 haven't mentioned either just because the list is so 11:54
11 long. So I would say there are several dozen 11:54
12 products that fall under kind of the areas that we 11:54
13 focus on in ads delivery products. 11:54

14 BY MR. KO: 11:55

15 Q. From all the products that you are 11:55
16 involved in or otherwise manage, would you say that 11:55
17 the targeting products, the optimization products, 11:55
18 and the bidding products are the primary categories 11:55
19 of products that you manage and the ads delivery 11:55
20 group manages? 11:55

21 MR. FALCONER: Same objection. 11:55

22 THE WITNESS: How would you characterize 11:55
23 "primary"? 11:55

24 BY MR. KO: 11:55

25 Q. Well, are these the three categories that 11:55

1 you work with the most? 11:55

2 MR. FALCONER: Same objection. 11:55

3 THE WITNESS: I wouldn't say they are the 11:55

4 products we work on the most. I have people on my 11:55

5 team who are assigned to -- to each of these product 11:55

6 areas. 11:55

7 BY MR. KO: 11:55

8 Q. Is the ads delivery product group the 11:55

9 primary group in charge of advertising at Facebook? 11:55

10 MR. FALCONER: Same objection. 11:55

11 THE WITNESS: Yes, I -- I don't know how I 11:56

12 would necessarily make a determination that one ads 11:56

13 team versus another is the primary team. But I 11:56

14 would say that within ads delivery -- I mean the ads 11:56

15 delivery team looks specifically after ads delivery 11:56

16 products. And there are sort of other teams within 11:56

17 ads that look after their own area of products 11:56

18 within ads. 11:56

19 BY MR. KO: 11:56

20 Q. Well, what other groups at Facebook work 11:56

21 on advertising other than the ad delivery product 11:56

22 group? 11:56

23 MR. FALCONER: Same objection. 11:56

24 THE WITNESS: Some of these teams include 11:56

25 business interfaces, business integrity, signals, 11:56

1 business opportunities, commerce. Those are some 11:56
2 examples that come to mind, but it's not a 11:57
3 comprehensive list. 11:57
4 BY MR. KO: 11:57
5 Q. Sure. And these are all distinct groups 11:57
6 at Facebook that work on advertising? 11:57
7 A. Yes. 11:57
8 MR. FALCONER: Same objection. 11:57
9 THE WITNESS: Correct. 11:57
10 BY MR. KO: 11:57
11 Q. Now, earlier you talked about optimization 11:57
12 products. And I noticed on your LinkedIn that you 11:57
13 indicate you have experience in optimization. What 11:57
14 does that mean? 11:57
15 MR. FALCONER: Same objection. 11:57
16 THE WITNESS: We offer advertisers on 11:57
17 Facebook the opportunities to signal to us via our 11:57
18 optimization products the types of business outcomes 11:57
19 that are important to them. 11:57
20 For example, a business might be more 11:58
21 interested in driving purchases on their website, or 11:58
22 installs of a mobile app, or views of a video. And 11:58
23 depending on the advertisers desired business 11:58
24 outcome, we can make -- Facebook can make 11:58
25 estimations on our end of which of the people in an 11:58

1 advertiser's specified target audience are most 11:58
2 likely -- are more likely to actually lead to that 11:58
3 desired outcome. 11:58

4 So we kind of have built these 11:58
5 optimization products to drive more of an 11:58
6 advertiser's desired business outcome for the budget 11:58
7 they spend. 11:58

8 BY MR. KO: 11:58

9 Q. Is it fair to say -- a moment ago you 11:58
10 talked about signals. Are the signals synonymous 11:58
11 with the desired business outcome you had just 11:58
12 described? 11:59

13 MR. FALCONER: Same objection. 11:59

14 BY MR. KO: 11:59

15 Q. Or what do you mean by signals when you 11:59
16 said signals earlier in response to my question? 11:59

17 A. Uh-huh. 11:59

18 MR. FALCONER: Same objection. 11:59

19 THE WITNESS: In -- in my earlier response 11:59
20 I was referring to signals as one of our unique ads 11:59
21 product teams at Facebook. 11:59

22 BY MR. KO: 11:59

23 Q. Okay. So it's not synonymous with the 11:59
24 desired business outcome. And you work with -- in 11:59
25 connection with optimization, you are working with 11:59

1 advertisers and clients to try and provide them with 11:59
2 an ad that reaches their target audience? Is that 11:59
3 fair to say? 11:59
4 MR. FALCONER: Same objection. 11:59
5 THE WITNESS: Yes. 11:59
6 BY MR. KO: 11:59
7 Q. In the summary of your LinkedIn profile 11:59
8 you also talked about bidding. What does that mean? 11:59
9 MR. FALCONER: Same objection. 12:00
10 THE WITNESS: Within our ads platform we 12:00
11 offer ways for an advertiser to tell us how -- for 12:00
12 their desired business outcome, how much are they 12:00
13 willing to pay or how much would they like to pay 12:00
14 per outcome. 12:00
15 So we can -- once we have that information 12:00
16 from an advertiser, say, an advertiser would like to 12:00
17 pay no more than \$10 for every app install that 12:00
18 their ads generate, we can then make better 12:00
19 decisions on behalf of the advertiser to determine 12:00
20 who within their target audience to show an ad to. 12:00
21 BY MR. KO: 12:00
22 Q. And you also describe in your summary of 12:00
23 your -- of your job responsibilities that you have 12:00
24 experience in "Digital & mobile media monetization." 12:01
25 Do you see that? This is in the second paragraph. 12:01

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1 products associated with conversion optimization. 12:03
2 And so this is what I was referencing in this bullet 12:03
3 point. 12:03
4 BY MR. KO: 12:03
5 Q. Is conversion optimization still one of 12:03
6 the most heavily-used response bidding and 12:03
7 optimization products at Facebook? 12:03
8 MR. FALCONER: Same objection. 12:03
9 THE WITNESS: Yes, I think you mentioned 12:04
10 direct response bidding and optimization products, 12:04
11 so yes. 12:04
12 BY MR. KO: 12:04
13 Q. Is there a distinction between direct 12:04
14 response bidding and optimization and indirect 12:04
15 response bidding and optimization? 12:04
16 MR. FALCONER: Same objection. 12:04
17 THE WITNESS: By -- direct response is a 12:04
18 category of advertising that we often reference that 12:04
19 relates more to advertisers wanting to drive a 12:04
20 direct action from potential customers, like going 12:04
21 and buying something on a website or going and 12:04
22 installing a mobile app. 12:04
23 So the -- the major bucket of advertising 12:04
24 that's not direct response -- one major bucket of 12:04
25 advertising that's not direct response would be more 12:04

1 around brand advertising, which is, you know, the -- 12:04
2 the advertiser objectives there could include just 12:04
3 raising brand awareness of the business or raising 12:05
4 product recall for a specific product. 12:05

5 And so for -- for that -- for those 12:05
6 advertiser objectives it's a set of ads products 12:05
7 that would be used. 12:05

8 BY MR. KO: 12:05

9 Q. Thank you. That's helpful. 12:05

10 A few bullets down you also say that you 12:05
11 "Presented to global C-level stakeholders on auction 12:05
12 dynamics and best practices." Do you see that? 12:05

13 A. Yes. 12:05

14 Q. And I notice throughout the CV and in your 12:05
15 current role you have experience in -- in the 12:05
16 Facebook ad auction. Is that fair to say? 12:05

17 A. Yes. 12:05

18 Q. Could you describe to the Court what the 12:05
19 ad auction -- or could you describe to the Court 12:05
20 what the ad auction is? 12:05

21 MR. FALCONER: Same objection. 12:05

22 THE WITNESS: Yes. So our ads platform is 12:05
23 built on an auction -- built on top of an ads 12:05
24 auction. So we have, as I mentioned before, 12:06
25 millions of advertisers trying to reach potential 12:06

1 consumers on -- with advertisers -- I'm sorry. They 12:06
2 are trying to reach potential consumers with ads on 12:06
3 our platform. And then we have billions of people 12:06
4 using our kind of Facebook apps and services every 12:06
5 day. 12:06

6 So the ads auction is the mechanism that 12:06
7 exists to match ads with people in a way that 12:06
8 maximizes value for advertisers and while -- while 12:06
9 still preserving usefulness and relevance for 12:06
10 consumers. 12:06

11 BY MR. KO: 12:06

12 Q. My understanding of the ad auction is that 12:06
13 it is a combination of three major factors, which 12:06
14 would be the bid, the estimated auction rate, and 12:06
15 the ad quality. Do you agree with that? Is that 12:07
16 fair to say? 12:07

17 MR. FALCONER: Same objection. 12:07

18 THE WITNESS: Yes. At a high level, 12:07
19 that's correct. 12:07

20 BY MR. KO: 12:07

21 Q. And what exactly -- well, how are each of 12:07
22 these measured in the ad auction? 12:07

23 MR. FALCONER: Same objection. 12:07

24 MR. KO: Russ, if you want, you can just 12:07
25 have a -- do you want a standing objection on these 12:07

1 questions? 12:07

2 MR. FALCONER: No, I'm fine, thanks. 12:07

3 MR. KO: My pleasure. 12:07

4 THE WITNESS: The -- so -- so I wouldn't 12:07

5 say that any of these components are measured. The 12:07

6 bid, for example, in many cases is an input provided 12:07

7 by the advertiser, how much they are willing to pay 12:07

8 for their desired action or the desired business 12:07

9 outcome. 12:07

10 And then based on that, and based on the 12:07

11 advertiser and their previous ads performance and 12:08

12 what we know about consumers on our platform, we, 12:08

13 within Facebook, make estimations about how much a 12:08

14 given specific individual might be likely to take an 12:08

15 advertiser's desired action. This is the estimated 12:08

16 action rate. 12:08

17 We also make an estimation of, if an 12:08

18 individual were to see a specific ad, how likely 12:08

19 would they be to find it useful and interesting? 12:08

20 And some of this gets captured -- that is one of 12:08

21 many inputs that gets captured in the quality aspect 12:08

22 that you mentioned. 12:08

23 BY MR. KO: 12:08

24 Q. And when you're saying that -- that we -- 12:08

25 you, of course -- that we make an estimation of 12:08

1 certain of these factors, who at Facebook or which 12:08
2 groups at Facebook are making these estimations? 12:08
3 MR. FALCONER: Same objection. 12:09
4 THE WITNESS: For estimated action rate, 12:09
5 the primary team making these estimations, building 12:09
6 the machine learning models to make these 12:09
7 estimations, is the ads ranking team, which is part 12:09
8 of the ads delivery products team. 12:09
9 BY MR. KO: 12:09
10 Q. Do individuals in the ads ranking team 12:09
11 report to you? 12:09
12 MR. FALCONER: Same objection. 12:09
13 THE WITNESS: It is -- these models are 12:09
14 built by engineers, and no engineers report to me. 12:09
15 BY MR. KO: 12:09
16 Q. Do you interface with product managers 12:09
17 that manage the ads ranking team so that you can 12:09
18 appropriate inputs for your analysis in your work? 12:09
19 MR. FALCONER: Same objection. 12:09
20 THE WITNESS: I interface occasionally 12:09
21 with product managers and engineering managers who 12:09
22 more directly support those teams. 12:10
23 BY MR. KO: 12:10
24 Q. I see. And going back to the bid -- and 12:10
25 you correct me if I'm wrong because you're the 12:10

1 expert here -- the bid essentially is the money paid 12:10
2 by the advertiser to Facebook; is that fair to say? 12:10
3 MR. FALCONER: Same objections. 12:10
4 THE WITNESS: I would actually say it is 12:10
5 the information that an advertiser is giving us 12:10
6 about how much a particular outcome is worth to 12:10
7 them. 12:10
8 BY MR. KO: 12:10
9 Q. And do you know how they derive that 12:10
10 information? 12:10
11 MR. FALCONER: Same objections. 12:10
12 THE WITNESS: How an advertiser would 12:10
13 derive that information? 12:10
14 BY MR. KO: 12:10
15 Q. Right. In your negotiations -- I assume 12:10
16 that you discuss with these advertisers, as you say 12:10
17 in your words -- of course, the realtime is 12:11
18 lagging -- but you had indicated that they want to 12:11
19 achieve certain outcomes based on certain 12:11
20 information that they -- they provide to you. So I 12:11
21 assume you have discussions with them about their 12:11
22 desired outcome, correct? 12:11
23 MR. FALCONER: Same objection. 12:11
24 THE WITNESS: When I -- when I said "based 12:11
25 on information they provide to us," I actually was 12:11

1 referring to the actual bid that they would enter 12:11
2 into our system during the process of ads creation 12:11
3 in our tools. 12:11

4 BY MR. KO: 12:11

5 Q. I see. So they enter an actual bid into 12:11
6 some system and you review that information, 12:11
7 correct? 12:11

8 MR. FALCONER: Same objection. 12:11

9 THE WITNESS: Our -- when they enter the 12:11
10 bid into our system, at that point, the -- assuming 12:11
11 their ads have been set up correctly and pass all 12:12
12 the relevant policy checks, et cetera, that ad would 12:12
13 then actually enter into our ads auction. 12:12

14 BY MR. KO: 12:12

15 Q. I see. And what system, if it's separate 12:12
16 and apart from the ad auction system, what system do 12:12
17 they enter these bids into? 12:12

18 MR. FALCONER: Same objection. 12:12

19 THE WITNESS: So we have a number of ads 12:12
20 behind interfaces that advertisers use to create ads 12:12
21 and place orders for ads, including specifying their 12:12
22 bid. 12:12

23 BY MR. KO: 12:12

24 Q. So is there an actual name for this system 12:12
25 where they're submitting their bids? 12:12

1 MR. FALCONER: Same objection. 12:12

2 THE WITNESS: One primary interface that's 12:12

3 used is called Ads Manager. 12:12

4 BY MR. KO: 12:12

5 Q. And that's the primary way in which an 12:12

6 advertiser submits its bid; is that correct? 12:12

7 MR. FALCONER: Same objection. 12:13

8 THE WITNESS: There are many ways that an 12:13

9 advertiser can actually create an ad in our system 12:13

10 and enter an ad into the ad auction. The ads -- Ads 12:13

11 Manager is our primary native Facebook ads-buying 12:13

12 interface that is used for -- when -- when 12:13

13 advertisers, you know, set specific bids for the -- 12:13

14 for the ads that they -- they want to run on our 12:13

15 platform. 12:13

16 There are other methods that advertisers 12:13

17 can use to enter -- create ads in our system with 12:13

18 kind of associated bids. For example, we have an 12:13

19 ads API platform where an advertiser could either 12:13

20 directly create ads via the API or work with third 12:14

21 parties to create ads via the API, sending 12:14

22 associated bids for those ads. 12:14

23 But the Ads Manager is the main sort of 12:14

24 interface that Facebook offers where an advertiser 12:14

25 would be creating ads and sending us those 12:14

1 associated bids that they're willing to pay. 12:14

2 BY MR. KO: 12:14

3 Q. Thank you. 12:14

4 With respect to estimated auction rates -- 12:14

5 we touched on that briefly -- but can you describe 12:14

6 to the Court what that means? 12:14

7 MR. FALCONER: Same objection. 12:14

8 THE WITNESS: Estimated action rate, 12:14

9 essentially -- when an advertiser gives us a bid for 12:14

10 desired action, let's say their desired action is 12:14

11 installs of their mobile app. We actually have 12:14

12 to -- for purposes of our ads auction, we need to 12:14

13 translate that bid to kind of an advertiser's 12:14

14 willingness to reach -- to show an ad, a single ad, 12:15

15 to an individual based on that individual's 12:15

16 estimated likelihood to actually install the app 12:15

17 after they see this ad. 12:15

18 So in that way, I mean, you can think of 12:15

19 many different advertisers having different desired 12:15

20 outcomes. We sort of need to compare all of these 12:15

21 bids across many different advertisers on a more 12:15

22 apples-to-apples basis. 12:15

23 So it's just like instead of, you know, 12:15

24 advertiser A valuing -- like sending us a bid for -- 12:15

25 of \$10 per app install, advertiser B sending a bid 12:15

1 of, you know, a dollar per website visit, advertiser 12:15
2 C sending a bid of 20 cents per video view. We want 12:15
3 to translate the bids from each of these advertisers 12:16
4 to advertiser A, B and C are willing to pay X, Y and 12:16
5 Z to show an ad to this person. 12:16

6 In order to do that, we need to 12:16
7 calculate -- or make an estimation if we show any of 12:16
8 these ads to this person, what's the likelihood that 12:16
9 this person will either install -- install the app, 12:16
10 watch a video, or visit a website. 12:16

11 So the estimated action rate refers to the 12:16
12 calculation that we're making about how likely an 12:16
13 individual is to take a given advertiser's desired 12:16
14 outcome. 12:16

15 BY MR. KO: 12:16

16 Q. I apologize. I think I asked -- my 12:16
17 question was estimated auction rate, but we're 12:16
18 talking about estimated action rates, correct? 12:16

19 A. Correct. 12:16

20 MR. FALCONER: Same objection. 12:16

21 BY MR. KO: 12:16

22 Q. And finally, with respect to ad quality, 12:16
23 which was one of the, as you described, one of the 12:16
24 high-level major factors in an ad auction, can you 12:17
25 describe to the Court what that means? 12:17

1 MR. FALCONER: Same objection. 12:17

2 THE WITNESS: In addition to factoring in 12:17

3 advertiser value into the ads auction, which is 12:17

4 essentially what the advertiser bid and the 12:17

5 calculation of estimated action rate are all about, 12:17

6 like how much advertiser value will -- how much 12:17

7 value will an advertiser get when we show this ad to 12:17

8 a person. 12:17

9 We also want to balance into the 12:17

10 equation -- we also want to take into account user 12:17

11 value into that equation. So will the person seeing 12:17

12 the ad have a good experience and see content that's 12:17

13 useful and relevant for them if we show this person 12:17

14 a given ad? 12:17

15 And so that user value or that notion of 12:17

16 relevance, good experience for a consumer is -- is 12:17

17 wrapped up in that last quality factor. 12:17

18 So include several things, including, for 12:18

19 example, our estimation of how likely a person will 12:18

20 be to find content from a given business interesting 12:18

21 or useful. That's one consideration. 12:18

22 And other -- another example consideration 12:18

23 would be maybe less personalized to a person but 12:18

24 more about, okay, is this business -- have they 12:18

25 generally created a good ads experience for people 12:18

1 who click through on their ads? 12:18

2 Or, for example, if someone is clicking 12:18

3 through on ads and landing on a poor website 12:18

4 experience and they get a lot of people bouncing off 12:18

5 the website immediately after clicking ads, then we 12:18

6 might take that as a sign that that would not lead 12:18

7 to a good user experience, and so that might, you 12:18

8 know, penalize an advertiser in the ads auction. 12:19

9 BY MR. KO: 12:19

10 Q. And you just said that -- in your answer 12:19

11 you said that you wanted to take into account, 12:19

12 quote, user value, end quote, into the equation. So 12:19

13 how do you quantify user value as it relates to ad 12:19

14 quality? 12:19

15 MR. FALCONER: Same objection. 12:19

16 THE WITNESS: It's hard to -- I don't know 12:19

17 if we are quantifying user value in any specific way 12:19

18 in this -- in this -- you know, in that reference I 12:19

19 made. But what we're trying to optimize for is to 12:19

20 have people see ads that they will find useful, 12:19

21 interesting, and not lead to a sort of bad 12:19

22 post-ad -- post-click experience. 12:19

23 And so based on some of those components 12:20

24 we mentioned, we may either -- that might either 12:20

25 help more ads win an auction if we predict for an 12:20

1 individual, if we predict that they will lead to a 12:20
2 good user experience. Or if there are aspects about 12:20
3 the ad or the advertiser that we think will lead to 12:20
4 a worse user experience, then that might kind of 12:20
5 hinder that ad from winning as many auctions for 12:20
6 people. 12:20

7 BY MR. KO: 12:20

8 Q. And does information about a Facebook user 12:20
9 and data that Facebook has about a user improve the 12:20
10 ad quality? 12:20

11 MR. FALCONER: Same objection. 12:20

12 THE WITNESS: Some of the estimations that 12:20
13 we make in our -- as we try to optimize for ad 12:20
14 quality are based on information that we have about 12:21
15 people. 12:21

16 For example, if we know that a person has 12:21
17 interacted with, you know, engaged with a lot of 12:21
18 yoga-related content on Facebook, we might be more 12:21
19 likely to predict that an ad from a yoga apparel 12:21
20 company would be more relevant to this individual, 12:21
21 and that might improve, like, a yoga ad -- a yoga 12:21
22 ad's chances of winning the auction to show to this 12:21
23 individual. 12:21

24 BY MR. KO: 12:21

25 Q. So is the ad quality and ad relevance 12:21

1 shown to a user improved by the information Facebook 12:21
2 has about the user? 12:21
3 MR. FALCONER: Same objection. 12:21
4 THE WITNESS: We are able to show more 12:22
5 relevant and useful ads to people based on the 12:22
6 information that we have about those people's 12:22
7 activity on Facebook. 12:22
8 BY MR. KO: 12:22
9 Q. And if Facebook had less information about 12:22
10 a user, presumably the ad quality and ad relevance 12:22
11 would be diminished; would you agree with me on 12:22
12 that? 12:22
13 MR. FALCONER: Same objection. 12:22
14 THE WITNESS: I think it depends on the 12:22
15 type of information and the ways in which we might 12:22
16 be able to use that information in our -- in our 12:22
17 models. 12:22
18 BY MR. KO: 12:22
19 Q. Now, with respect to the ad auction, I 12:22
20 also understand that Facebook subsidizes certain 12:22
21 relevant ads in the auctions. Are you familiar with 12:22
22 that concept? 12:22
23 MR. FALCONER: Same objection. 12:22
24 THE WITNESS: I'm familiar with the 12:22
25 concept. 12:22

1 BY MR. KO: 12:22

2 Q. And what is your understanding of this 12:22

3 concept? 12:23

4 MR. FALCONER: Same objection. 12:23

5 THE WITNESS: For example, to my 12:23

6 understanding, there are times when we might 12:23

7 subsidize specific ads in the auction for very 12:23

8 specific reasons. For example, we might -- well, I 12:23

9 guess -- can you -- can you clarify what you mean by 12:23

10 subsidy? 12:23

11 BY MR. KO: 12:23

12 Q. Well, my understanding of it -- and you 12:23

13 tell me if I'm wrong, this is your expertise -- but 12:23

14 I understand that Facebook pays money or provides 12:23

15 some sort of revenue sharing and/or agreement with 12:23

16 certain advertisers for placing ads on Facebook. Do 12:23

17 you understand that to be the case? 12:24

18 MR. FALCONER: Same objection. 12:24

19 THE WITNESS: So that Facebook pays 12:24

20 certain advertisers money to incentivize them to put 12:24

21 ads on Facebook. Is that your question? 12:24

22 BY MR. KO: 12:24

23 Q. Subsidizes them. I don't mean a direct 12:24

24 payment, but there's some sort of revenue-sharing 12:24

25 agreement and/or a reduction in the bid price 12:24

1 because Facebook recognizes or otherwise agrees with 12:24
2 them that they're placing a, you know, a large 12:24
3 amount of ads on Facebook. 12:24

4 A. Yes. 12:24

5 MR. FALCONER: Object to form. 12:24

6 THE WITNESS: I see what you mean. 12:24

7 Historically, I know that that has been 12:24
8 true. I can't confirm if it is still the case 12:24
9 today. But historically, for example, within the 12:24
10 2012 to '17 time period, we did have some 12:24
11 arrangements with certain ad agencies where we 12:24
12 provided rebates to certain agencies that were 12:25
13 negotiated upfront before -- much before any ads 12:25
14 were created or entered our ads portion. 12:25

15 BY MR. KO: 12:25

16 Q. So in addition to the rebates to the ad 12:25
17 agencies, are you aware of any agreements with the 12:25
18 advertisers directly for any type of revenue-sharing 12:25
19 or discount for placing their ads on Facebook? 12:25

20 MR. FALCONER: Same objection. 12:25

21 THE WITNESS: At least for the 2012 to 12:25
22 2017 time period, I'm not aware of any other 12:26
23 agreements with advertisers where we were giving 12:26
24 revenue back to advertisers in return for placing 12:26
25 ads on Facebook. 12:26

1 BY MR. KO: 12:26

2 Q. And are you -- in trying to answer this 12:26

3 question, I see that you were looking at another 12:26

4 document. Were you looking at the Internet for this 12:26

5 [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

12:26

14 MR. FALCONER: David, we've been going a 12:26

15 little more than an hour. Whenever you get to a 12:26

16 good point, we could take a break. 12:26

17 MR. KO: Sure. How about five more 12:26

18 minutes. 12:27

19 Q. If that's okay with you, Amy. Amy, you're 12:27

20 in control. If you want to break now, I'm happy to. 12:27

21 I just have about five more minutes, and then maybe 12:27

22 we can take a break. 12:27

23 A. Five minutes is okay. 12:27

24 Q. Are you familiar with the term ARPU? 12:27

25 A. Yes. 12:27

1 Q. What is it? 12:27

2 A. It stands for average revenue per user. 12:27

3 Q. And this is a specific term used by 12:27

4 Facebook and, would you agree with me, a key metric 12:27

5 for Facebook? 12:27

6 A. It is a key metric for Facebook. 12:27

7 Q. And are you familiar with the term DAU? 12:27

8 A. Yes. 12:27

9 Q. And what is that? 12:27

10 A. It stands for daily active users. 12:27

11 Q. This is also a key metric for Facebook? 12:27

12 A. Yes. 12:27

13 Q. Are you familiar with the term "MAU"? 12:27

14 A. Yes. 12:27

15 Q. What is it? 12:27

16 A. That stands for monthly active users. 12:27

17 Q. This is also a key metric for Facebook? 12:27

18 A. Yes. 12:27

19 Q. And by the way, I noticed in recent years 12:28

20 that the nomenclature I believe has changed to ARPP 12:28

21 and DAP, MAP. Does that sound familiar? 12:28

22 MR. FALCONER: Objection. Outside the 12:28

23 time frame of the notice. But go ahead. 12:28

24 THE WITNESS: It does sound familiar. 12:28

25 BY MR. KO: 12:28

1 Q. But for purposes of the 2012 to 2017 time 12:28
2 period, the terms ARPU, DAU, MAU were key financial 12:28
3 metrics for the company; is that fair to say? 12:28

4 A. Yes. 12:28

5 Q. And more specifically, they are key 12:28
6 metrics for the Facebook business as a whole. Would 12:28
7 you agree with me on that too? 12:28

8 A. Yes. 12:28

9 Q. Other than these three metrics, are you 12:28
10 aware of any other metrics utilized by Facebook? 12:28

11 MR. FALCONER: Objection. Form. 12:28

12 BY MR. KO: 12:28

13 Q. Well, let me ask this way. That was a -- 12:28
14 that was a poor question. 12:28

15 These are the three primary metrics 12:29
16 utilized by Facebook for purposes of its business. 12:29
17 Would you agree with me on that? 12:29

18 MR. FALCONER: Objection. Form. 12:29

19 THE WITNESS: These are three very 12:29
20 important metrics for purposes of Facebook's 12:29
21 business. It's a -- yeah, I -- I don't know how 12:29
22 I -- primary is like a specific distinction that I'm 12:29
23 not sure how I -- I should assess, but those are 12:29
24 three important metrics. 12:29

25 BY MR. KO: 12:29

1 Q. Can you think of -- as you sit here today, 12:29
2 can you think of any other metrics outside of these 12:29
3 three that are very important to Facebook to 12:29
4 measure? 12:29

5 MR. FALCONER: Objection. Form. 12:29

6 THE WITNESS: I think that we track total 12:29
7 revenue is quite an important metric. 12:29

8 BY MR. KO: 12:30

9 Q. Anything else? 12:30

10 MR. FALCONER: Objection. Form. 12:30

11 THE WITNESS: Those are the main metrics 12:30
12 that come to mind as most important. 12:30

13 BY MR. KO: 12:30

14 Q. Going back to ARPU, how does Facebook 12:30
15 calculate ARPU? 12:30

16 A. To my understanding, it is a ratio 12:30
17 essentially from dividing quarterly revenue by 12:30
18 average monthly active users over that quarter. 12:30

19 Q. And does Facebook track -- well, with 12:30
20 respect to monthly active users, is that tracked 12:30
21 globally, regionally, by certain geography? Do you 12:30
22 know? 12:31

23 A. Monthly active users. We certainly -- I 12:31
24 think predominantly track it at a global level. 12:31

25 Q. And in your group in particular, the ads 12:31

1 delivery group, or to the extent you're familiar 12:31

2 with any other advertising group, do you track also 12:31

3 ARPU and/or measure it in any fashion? 12:31

4 MR. FALCONER: Objection. Beyond the 12:31

5 scope of the notice. 12:31

6 Go ahead. 12:31

7 THE WITNESS: We do not have a reason to 12:31

8 track ARPU within our product team specifically. 12:31

9 BY MR. KO: 12:31

10 Q. So which groups at Facebook would you say 12:31

11 are primarily responsible for tracking the ARPU 12:31

12 metric? 12:31

13 MR. FALCONER: Same objection. 12:32

14 THE WITNESS: I'm sorry, what was that, 12:32

15 Russ? 12:32

16 MR. FALCONER: Same objection. Excuse me. 12:32

17 THE WITNESS: The finance team would have 12:32

18 primary responsibility to check that. 12:32

19 BY MR. KO: 12:32

20 Q. Just a few more questions and we can take 12:32

21 a break. 12:32

22 How is DAU measured? 12:32

23 MR. FALCONER: I'm going to object as 12:32

24 beyond the scope of the topic in the notice. 12:32

25 You can answer based on what you know 12:32

1 personally. 12:32

2 THE WITNESS: So I understand that this 12:32

3 would be a measure of the number of users engaging 12:32

4 with our platform in a given day. 12:32

5 BY MR. KO: 12:32

6 Q. Okay. And is it -- is it just -- if an 12:32

7 individual or a user, excuse me, logs on and 12:32

8 accesses Facebook, the Facebook app, for example, if 12:32

9 they do it once, are they tracked as part of the 12:32

10 daily average user metric? 12:32

11 A. I don't recall the specific calculation 12:32

12 offhand. 12:33

13 Q. I see. 12:33

14 MR. FALCONER: I'm going to -- I didn't 12:33

15 want to interrupt the witness. I want to object to 12:33

16 the last question as beyond the scope of the notice. 12:33

17 BY MR. KO: 12:33

18 Q. How about with respect to the monthly 12:33

19 average user? Do you understand how that is 12:33

20 measured? 12:33

21 MR. FALCONER: Same objection. 12:33

22 THE WITNESS: At a high level, it should 12:33

23 be the number of users who are using the platform 12:33

24 within -- within a given month. 12:33

25 But in terms of the specific -- if there 12:33

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1 1 are any specific engagement triggers or activity 12:33
2 2 triggers that would define exactly who gets counted, 12:33
3 3 I would need to confirm that. 12:33
4 4 BY MR. KO: 12:33
5 5 Q. And who would you have to confirm that 12:33
6 6 with? 12:33
7 7 A. I might confirm it with our finance team. 12:33
8 8 They should have the most detailed understanding. 12:33
9 9 Q. So would the finance team have the 12:33
10 10 knowledge and understand how DAU and MAU are 12:33
11 11 measured? 12:34
12 12 A. Yes. 12:34
13 13 MR. KO: Okay. This is probably a good 12:34
14 14 time for a break, so I'm happy to take one now. 12:34
15 15 THE VIDEOGRAPHER: We are off the record 12:34
16 12:34 16 at p.m.
17 12:34
17 17 (Whereupon, a luncheon recess was had.) 12:34
18
19 18
20 19
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25 24
25 25

1 Wednesday, February 24, 2021

2 1:21 p.m.

3

4 THE VIDEOGRAPHER: We are on the record at 01:21

5 1:21 p.m. 01:21

6 EXAMINATION (continued) 01:21

7 BY MR. KO: 01:21

8 Q. Welcome back from the break, Amy. 01:21

9 I want to start by having you pull from 01:21

10 the Exhibit Share a copy of what has been marked as 01:21

11 Exhibit A -- or 8, excuse me. 01:21

12 (Exhibit 8 was marked for 01:21

13 identification and attached 01:21

14 hereto.) 01:21

15 THE WITNESS: Okay. 01:21

16 BY MR. KO: 01:21

17 Q. Do you have that up? 01:21

18 A. Yes. 01:21

19 MR. KO: And, for the record, Exhibit 8 is 01:21

20 a Facebook annual report from 2016. 01:21

21 Q. Is that what you're looking at right now? 01:21

22 A. Yes. 01:21

23 Q. And also for the record, this is a 01:21

24 document we identified to your counsel in advance of 01:21

25 this deposition for you to review. Were you aware 01:21

1 of the possibility that we were going to ask 01:21
2 questions about this? 01:21
3 A. I wasn't aware of any questions pertaining 01:22
4 to this specific document. 01:22
5 Q. Have you reviewed this or any annual 01:22
6 report in advance of this deposition today? 01:22
7 A. Not specifically in preparation for this 01:22
8 deposition. 01:22
9 Q. Okay. But you've seen this -- you have 01:22
10 seen this report or any other annual report before? 01:22
11 A. Yes. 01:22
12 Q. And specifically, have you seen this 2016 01:22
13 annual report before? 01:22
14 A. I can't recall if previous annual reports 01:22
15 I have seen were the 2016 annual report. 01:22
16 Q. Fair enough. 01:22
17 I want to turn your attention to page 4 of 01:22
18 the annual report. On that page there is a title 01:22
19 that says "Limitations of Key Metrics and Other 01:22
20 Data." Let me know when you're there. 01:22
21 A. Yes, I'm here. 01:23
22 Q. Can you go ahead and read into the record 01:23
23 the first sentence that you see at the top of that 01:23
24 page. 01:23
25 A. Sorry, am I on page 4 of the PDF or page 4 01:23

Page 70

1 as per the -- 01:23

2 Q. Page 4 of the report. 01:23

3 A. Okay. Okay. Yeah, I'm on page 4 of the 01:23

4 report. And you asked me to read out which part 01:23

5 exactly? 01:23

6 Q. Just the first sentence at the top of that 01:23

7 page. 01:23

8 A. "The numbers for our key metrics, which 01:23

9 include our daily active users (DAUs), monthly 01:23

10 active users (MAUs), and average revenue per user 01:23

11 (ARPU), are calculated using internal company data 01:23

12 based on the activity of user accounts." 01:23

13 Q. Do you have an understanding -- thank you 01:23

14 for that. Do you have an understanding of what 01:23

15 internal company data this sentence is referring to? 01:23

16 A. Yes. 01:24

17 Q. And what internal company data is this 01:24

18 sentence referring to? 01:24

19 A. It should be data on user activity tracked 01:24

20 by our growth team. 01:24

21 Q. And other than the growth team, are there 01:24

22 any other groups at Facebook that would have access 01:24

23 to this -- well, strike that. 01:24

24 Other than the growth team, are there any 01:24

25 other groups or teams at Facebook that are 01:24

1 responsible for tracking this -- this data? 01:24

2 MR. FALCONER: Objection. Beyond the 01:24

3 scope of the notice. 01:24

4 Go ahead. 01:24

5 THE WITNESS: I don't know if there are 01:24

6 other teams specifically responsible for tracking 01:24

7 this user activity that's referenced. 01:24

8 BY MR. KO: 01:24

9 Q. And do you know what specific data is 01:24

10 utilized by the growth team to understand the 01:24

11 activity of user accounts? 01:25

12 MR. FALCONER: Same objection. 01:25

13 THE WITNESS: No, I -- I'm not familiar 01:25

14 with the kind of specific activities that the growth 01:25

15 team is tracking for these numbers. 01:25

16 BY MR. KO: 01:25

17 Q. And earlier before the break you said that 01:25

18 the finance team had an understanding of how to 01:25

19 calculate or measure the key metrics of Facebook, 01:25

20 including ARPU, MAU, and DAU. Do you recall that? 01:25

21 A. Yes, I recall that discussion. And 01:25

22 specifically the -- the -- the discussion had been 01:25

23 around which team might have a greater understanding 01:25

24 of the specific activities that are being captured 01:25

25 in the DAU and MAU numbers. 01:25

1 So I would suspect the finance team has an 01:26
2 understanding of kind of more specific details 01:26
3 around that. But additionally, I think that the 01:26
4 growth team would have that more specific 01:26
5 understanding. And to my understanding, they, more 01:26
6 directly, would be responsible for tracking that. 01:26

7 Q. I see. So the growth team -- just so the 01:26
8 record is clear, the growth team would also 01:26
9 understand how DAU, MAU and ARPU was specifically 01:26
10 measured. Is that your testimony? 01:26

11 A. My understanding is that the growth team 01:26
12 should have a more specific understanding of DAU and 01:26
13 MAU calculations specifically. 01:26

14 Q. And same with respect to ARPU? Is that 01:26
15 measured primarily by the finance team? 01:26

16 A. My -- I don't know for certain, but my 01:26
17 guess would be that the finance team is responsible 01:27
18 for making the ARPU calculation. 01:27

19 Q. I see. That's helpful. 01:27

20 And with respect to the internal company 01:27
21 data that's referenced here on this first page -- or 01:27
22 excuse me, on page 4 of this annual report -- do 01:27
23 you -- do you know where this data is stored and 01:27
24 located? 01:27

25 MR. FALCONER: Objection. Beyond the 01:27

1 scope of the topic in the notice. 01:27

2 Go ahead. 01:27

3 THE WITNESS: I do not know. 01:27

4 BY MR. KO: 01:27

5 Q. Presumably, the growth team has access to 01:27

6 it? 01:27

7 A. I would presume they have access to the 01:27

8 knowledge of where the DAU and MAU data is stored 01:27

9 specifically. 01:27

10 Q. Okay. If you don't mind, please move 01:27

11 forward in that document to page 36 of the annual 01:27

12 report. And this is not -- not page 36 of the PDF 01:27

13 but just 36 of the actual report. And let me know 01:27

14 when you get there. 01:28

15 A. Okay. 01:28

16 Q. Do you see at the top there is a section 01:28

17 titled "Trends in our Monetization by User 01:28

18 Geography"? 01:28

19 A. Yes. 01:28

20 Q. And could you go ahead and read the first 01:28

21 two sentences of that first paragraph underneath 01:28

22 that heading. 01:28

23 A. "We calculate our revenue by user 01:28

24 geography based on our estimate of the geography in 01:28

25 which ad impressions are delivered, virtual and 01:28

1 digital goods are purchased or virtual reality 01:28
2 platform devices are shipped. We define ARPU as our 01:28
3 total revenue in a given geography during a given 01:28
4 quarter, divided by the average of the number of 01:28
5 MAUs in the geography at the beginning and end of 01:28
6 the quarter." 01:28
7 Q. Thank you. 01:28
8 So with respect to that second sentence 01:28
9 would you -- it sounds like that is how Facebook -- 01:29
10 or that is the methodology for how Facebook 01:29
11 calculates ARPU; is that fair? 01:29
12 MR. FALCONER: Objection. Form. 01:29
13 THE WITNESS: Yes, that's correct. 01:29
14 BY MR. KO: 01:29
15 Q. And I assume this methodology has not 01:29
16 changed over time? 01:29
17 MR. FALCONER: Objection. Beyond the 01:29
18 scope of the topic in the notice. 01:29
19 THE WITNESS: I'm not certain if it's 01:29
20 changed over time. 01:29
21 BY MR. KO: 01:29
22 Q. Do you know with respect to the 2012 01:29
23 through 27 [sic] time period whether or not there 01:29
24 were any variations in how Facebook calculated ARPU? 01:29
25 MR. FALCONER: Same objection. 01:29

1 THE WITNESS: I don't know offhand. 01:29

2 BY MR. KO: 01:29

3 Q. Do you know how geography is broken down 01:29

4 as described in this definition of ARPU? 01:29

5 MR. FALCONER: Same objection. 01:30

6 THE WITNESS: One way that I'm aware it's 01:30

7 broken down is by four global regions or four -- 01:30

8 four global regions: U.S. and Canada, Europe, 01:30

9 Asia-Pacific, and rest of world. 01:30

10 BY MR. KO: 01:30

11 Q. And so when this calculation of ARPU as 01:30

12 described incorporates geography the four ways, at 01:30

13 least as represented here, that Facebook defines 01:30

14 geography is through these four sub regions that you 01:30

15 described; is that correct? 01:30

16 MR. FALCONER: Same objection. And 01:30

17 objection as to form. 01:30

18 THE WITNESS: Yes, these were four 01:31

19 regions, four geographies where Facebook was 01:31

20 calculating ARPU by region. 01:31

21 BY MR. KO: 01:31

22 Q. Do you know if Facebook tracks revenue or 01:31

23 ARPU at a more granular level than by the four 01:31

24 regions represented here? 01:31

25 A. Not to my knowledge. 01:31

1 Q. So you don't know whether or not we can 01:31
2 identify ARPU by U.S. users or U.S. MAUs? 01:31
3 A. Not to my knowledge. 01:31
4 Q. Okay. And who would presumably know if 01:31
5 you don't know? Would the finance team know? 01:31
6 A. The finance team should know. 01:31
7 Q. And with respect to the U.S. in 01:31
8 particular, do you know whether or not Facebook 01:31
9 tracks ARPU based on a regional level within the 01:31
10 U.S.? 01:31
11 MR. FALCONER: Same objection. 01:31
12 THE WITNESS: I don't know if we do, but 01:32
13 the finance team should be able to confirm. 01:32
14 BY MR. KO: 01:32
15 Q. Okay. Now, I presume there are financial 01:32
16 statements that are created by the finance team 01:32
17 reflecting revenue at a more granular level than 01:32
18 what's represented in the 10K. Is that a fair 01:32
19 presumption? 01:32
20 MR. FALCONER: Objection. Beyond the 01:32
21 scope of the notice. 01:32
22 Go ahead. 01:32
23 THE WITNESS: Whatever is included in our 01:32
24 public filing, the extent of what I would presume 01:32
25 the finance team prepared. 01:32

1 BY MR. KO: 01:32

2 Q. Move forward a few pages to page 40 of the 01:32

3 annual report. And let me know when you get there. 01:32

4 A. Yes. 01:32

5 Q. On that page that reflects a consolidated 01:32

6 statement of Facebook's income for 2016, and, in 01:33

7 particular, there's a line item at the top 01:33

8 reflecting revenue. Do you see that? 01:33

9 A. Yes. 01:33

10 Q. And the revenue as reflected in this 01:33

11 annual report shows Facebook's overall revenue from 01:33

12 the last three years as of the date of this report 01:33

13 from 2014 through 2016. Do you see that? 01:33

14 A. Yes. 01:33

15 Q. And here the revenue is just one line item 01:33

16 and there's no details about the sources of revenue; 01:33

17 is that correct? 01:33

18 MR. FALCONER: Objection. Form. 01:33

19 THE WITNESS: That's correct. 01:33

20 BY MR. KO: 01:33

21 Q. And on the next page I noticed there's 01:33

22 another description of revenue and another chart, if 01:33

23 you will, of -- of Facebook's revenue at the bottom 01:33

24 of page 41. Do you see that? 01:33

25 A. Yes. 01:33

1 Q. Here there's at least a breakdown of the 01:33
2 two sources -- or two primary sources perhaps -- of 01:34
3 how Facebook generates this revenue. Do you see 01:34
4 that? And it's titled "Advertising," 1, and 01:34
5 "Payments and other fees," 2. 01:34

6 A. Yes. 01:34

7 Q. So, again, I presume that there are 01:34
8 financial statements that exist that break down at a 01:34
9 more granular level what this advertising revenue 01:34
10 consists of on the one hand and also what this 01:34
11 payments and other fees revenue consists of on the 01:34
12 other; is that fair? 01:34

13 MR. FALCONER: Objection. Beyond the 01:34
14 scope of the notice. 01:34

15 Go ahead. 01:34

16 THE WITNESS: The finance team has tracked 01:34
17 over these years more granular components of these 01:34
18 two categories of revenue. 01:34

19 BY MR. KO: 01:34

20 [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] 01:35

01:36



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1 [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] 01:37
8 MR. FALCONER: Objection. Beyond the 01:37
9 scope of the notice. 01:37
10 Go ahead. 01:37
11 [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] 01:37
14 Q. Okay. Have you ever -- I understand -- 01:37
15 and you correct me if I'm wrong -- but I understand 01:38
16 there's a director of revenue at Facebook. Are you 01:38
17 aware of that? 01:38
18 MR. FALCONER: Same objection. 01:38
19 [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED] 01:38
25 MR. FALCONER: Same objection. 01:38

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

1

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

01:38

6

MR. FALCONER: Same objection.

01:38

7

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

01:38

17

MR. FALCONER: And, again, I'm going to

01:38

18

instruct the witness that if -- if the only basis

01:39

19

for you to answer the question would be

01:39

20

conversations with counsel, don't reveal anything

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21

that you learned from counsel. And if you can't

01:39

22

answer the question otherwise, you can just say so.

01:39

23

[REDACTED]

01:39

25

BY MR. KO:

01:39

Page 83

25

MR. FALCONER: And, again, I'm going to

01.40

5 BY MR. KO: 01:40

01:41

25	MP FALCONER: Objection Form	01:41
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HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

1

Go ahead.

01:41

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01:43

Page 86

1

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

01:43

9

MR. FALCONER: Objection. Beyond the

01:43

10

scope of the notice.

01:43

11

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

01:43

20

MR. FALCONER: Same objection.

01:44

21

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

01:44

1

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

01:44

12

MR. FALCONER: Objection. Beyond the

01:44

13

scope of the notice.

01:44

14

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

01:45

21

MR. FALCONER: Same objection.

01:45

22

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

[REDACTED]

01:46

19

MR. FALCONER: Objection. Beyond the

01:46

20

scope of the notice.

01:46

21

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

01:46

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1	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]
3	[REDACTED]	01:46
4	MR. FALCONER: Objection. Form.	01:46
5	Go ahead.	01:46
6	BY MR. KO:	01:46
7	Q. Should I use another animal than lion for	01:46
8	us?	01:46
9	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]
11	[REDACTED]	[REDACTED]
12	[REDACTED]	[REDACTED]
13	[REDACTED]	01:47
14	MR. FALCONER: Objection. Form.	01:47
15	BY MR. KO:	01:47
16	[REDACTED]	[REDACTED]
17	[REDACTED]	[REDACTED]
18	[REDACTED]	[REDACTED]
19	[REDACTED]	[REDACTED]
20	[REDACTED]	[REDACTED]
21	[REDACTED]	[REDACTED]
22	[REDACTED]	[REDACTED]
23	[REDACTED]	[REDACTED]
24	[REDACTED]	[REDACTED]
25	[REDACTED]	[REDACTED]
26	[REDACTED]	[REDACTED]
27	[REDACTED]	[REDACTED]
28	[REDACTED]	[REDACTED]
29	[REDACTED]	[REDACTED]
30	[REDACTED]	01:47



01.49

01:48

01:49

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

1 MR. FALCONER: Objection. Beyond the 01:49

2 scope of your notice. 01:49

3 [REDACTED] [REDACTED] [REDACTED]

4 [REDACTED] [REDACTED]

5 [REDACTED] [REDACTED] [REDACTED]

6 [REDACTED] 01:49

7 MR. FALCONER: Same objection. 01:49

8 [REDACTED] [REDACTED] [REDACTED]

9 [REDACTED] [REDACTED]

10 [REDACTED] [REDACTED]

11 [REDACTED] [REDACTED] [REDACTED]

12 [REDACTED] [REDACTED]

13 [REDACTED] 01:49

14 MR. FALCONER: Objection. Form and beyond 01:49

15 the scope of the notice. 01:49

16 [REDACTED] [REDACTED] [REDACTED]

17 [REDACTED] [REDACTED]

18 [REDACTED] [REDACTED] [REDACTED]

19 [REDACTED] [REDACTED]

20 [REDACTED] [REDACTED]

21 [REDACTED] [REDACTED]

22 [REDACTED] [REDACTED] [REDACTED]

23 [REDACTED] 01:50

24 MR. FALCONER: Same objections. 01:50

25 [REDACTED] [REDACTED] [REDACTED] 01:50

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1	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	01:50
9	MR. FALCONER: Objection. Beyond the	01:51
10	scope of the notice.	01:51
11	[REDACTED] [REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	01:52

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But even more important is how we use that

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01:53

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

1 MR. FALCONER: Objection. Form. 01:53

2 [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] 01:54

12 MR. FALCONER: Objection. Form. 01:54

13 [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

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[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

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[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] 01:55

Page 95

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

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9

MR. FALCONER: Objection. The document

01:55

10

speaks for itself.

[REDACTED]

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01:58

24

(Phone ringing.)

01:58

25

A. Excuse me.

01:58

1

Page 98

[illegible]

02:01

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

1

[REDACTED]

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4

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02:02

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MR. FALCONER: Objection. Form.

02:02

6

[REDACTED] [REDACTED]

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[REDACTED] [REDACTED]

[REDACTED]

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02:03

11/11/2019

11/11/2019

11/11/2019

11/11/2019

10/10/2019

114

114

11/11/2019

10/10/2019

103

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02:04

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

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MR. FALCONER: Objection. Form.

02:06

22

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MR. FALCONER: Objection. Form.

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MR. FALCONER: Objection. Form.

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MR. FALCONER: Same objection.

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MR. FALCONER: Objection. Form.

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MR. FALCONER: Objection.

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MR. FALCONER: Objection to form just on

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based on an advertisement they can place on Facebook 02:17

or some other relationship? 02:17

A. I don't have specific details that I was 02:17

able to confirm on the exact nature of the -- 02:17

what -- what -- what the revenue share agreement was 02:17

based on. 02:17

Q. Sure. Finance would have that 02:17

information, presumably? 02:17

A. Yes. 02:17

Q. Going to the top of this page on the 02:18

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1 BY MR. KO: 02:43

2 Q. So the vast majority of revenue generated 02:43

3 by Facebook from 2012 through 2017 has been from 02:43

4 advertising; is that right? 02:43

5 A. Yes. 02:43

6 Q. And relative -- well, strike that. 02:43

7 Do you understand whether or not Facebook 02:43

8 revenue has ever been made up of any other source of 02:43

9 revenue primarily since the inception of the 02:44

10 company? 02:44

11 MR. FALCONER: Objection. Outside the 02:44

12 time period of the notice. 02:44

13 THE WITNESS: I can't be -- I don't know 02:44

14 for sure, but my understanding is that ads have 02:44

15 always been the main source of revenue. 02:44

16 BY MR. KO: 02:44

17 Q. And in connection with advertising -- we 02:44

18 spoke about this a little bit before -- but in 02:44

19 connection with advertising, Facebook obviously 02:44

20 utilizes Facebook user data. Is that fair to say? 02:44

21 A. Yes. 02:44

22 Q. Okay. And I want to actually share my 02:44

23 screen -- follow up on that and share my screen on a 02:44

24 Q and A exchange we had earlier today. 02:44

25 MR. KO: And I'll represent to your 02:44

1 counsel and for the record that this appears on 02:44
2 page 50, lines 16 through 24. 02:44
3 Q. And I'll just go ahead and read this to 02:45
4 refresh your recollection. 02:45
5 I asked "And did Facebook have less 02:45
6 information about a user, presumably the ad quality 02:45
7 and ad relevance would be diminished, would you 02:45
8 agree with me on that? 02:45
9 "MR. FALCONER: Same objection. 02:45
10 "You, Amy: I think it depends on the type 02:45
11 of information and the ways in which we might be 02:45
12 able to use that information in our models." 02:45
13 Do you remember that line of questioning 02:45
14 earlier this morning, Amy? 02:45
15 A. Yes. I'm guessing where the question says 02:45
16 "And did Facebook have less information," probably 02:45
17 the original question would have been "If Facebook 02:45
18 had less information, presumably the ad quality 02:45
19 would be diminished." 02:45
20 That's sort of what I remember. But I do 02:45
21 remember that, that question. 02:45
22 Q. And I want to pick up on what you said 02:45
23 here. And I'll leave this for you if it's 02:46
24 convenient, but I want to pick up on your 02:46
25 description here about models. Do you see that? 02:46

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1 Facebook platform. 02:47

2 Q. And are you familiar with the term 02:47

3 "Off-platform activity"? 02:47

4 A. Yes. 02:47

5 Q. And what does that refer to? 02:48

6 MR. FALCONER: I just want to object that 02:48

7 this is outside the scope of the deposition topic. 02:48

8 But go ahead and answer based on your 02:48

9 personal understanding. 02:48

10 THE WITNESS: As it relates to this topic 02:48

11 again of data being used in models, I would 02:48

12 interpret that to mean data about user activities 02:48

13 off of the Facebook platform. 02:48

14 BY MR. KO: 02:48

15 Q. Okay. So when a moment ago you said that 02:48

16 Facebook had machine learning data based on users' 02:48

17 activities, that includes both users' on-platform 02:48

18 and off-platform activity, I presume? 02:48

19 MR. FALCONER: Again, same objection. 02:48

20 THE WITNESS: Yes. 02:48

21 BY MR. KO: 02:48

22 Q. Okay. And other than users' on- and 02:48

23 off-platform activity, what are some of the other 02:48

24 inputs that go into the machine learning database or 02:48

25 system? 02:49

1 MR. FALCONER: Same objection. 02:49

2 THE WITNESS: Assuming we're still 02:49

3 specifically talking about the models that are used 02:49

4 in -- or that our ads auction is based on, there is 02:49

5 information about advertisers that is used. 02:49

6 BY MR. KO: 02:49

7 Q. And what does that -- and by the way, yes, 02:49

8 we are still talking about the auction context. And 02:49

9 what does that information about advertisers consist 02:49

10 of? 02:49

11 MR. FALCONER: Same objection. 02:49

12 THE WITNESS: Some examples are models 02:49

13 might consider performance of previous ad campaigns 02:49

14 that the advertiser has run on Facebook. It could 02:49

15 include information -- other information about 02:50

16 advertisers' ads, previously run ads as well. 02:50

17 An example I think I mentioned earlier was 02:50

18 if we have information that -- you know, many people 02:50

19 after clicking on a given advertiser's ad bounced 02:50

20 right back to Facebook, that could actually signal 02:50

21 that advertiser is having their ads drive to a bad 02:50

22 landing page experience, and that might be a piece 02:50

23 of information we use in this quality and relevance 02:50

24 calculation. 02:50

25

1 BY MR. KO: 02:50

2 Q. And other than this information, is there 02:50

3 any other information that the advertiser generates 02:50

4 that gets included into -- or that is an input of 02:51

5 the machine learning data? 02:51

6 MR. FALCONER: Same objection. 02:51

7 THE WITNESS: There are hundreds of, if 02:51

8 not thousands, of different types of data that are 02:51

9 included in these models. So there are probably 02:51

10 other -- there are other examples that I haven't 02:51

11 listed here. But on the advertiser front, previous 02:51

12 ads performance is a -- is a major factor. 02:51

13 BY MR. KO: 02:51

14 Q. I see. Do these models also reflect or 02:51

15 test how relevant the ads are to users? 02:51

16 MR. FALCONER: Same objection. 02:51

17 THE WITNESS: Yes, I -- well, we are 02:51

18 trying to maximize and optimize for user relevance 02:51

19 when -- in our ads auction, so we have -- there are 02:52

20 many factors or types of signals, if you will, that 02:52

21 we use to try and correlate with high relevance for 02:52

22 advertisers. An example -- an obvious example is 02:52

23 ads engagement, how many clicks or likes is an ad 02:52

24 getting. 02:52

25

1 BY MR. KO: 02:52

2 Q. So then that -- that data is input into 02:52

3 the system, machine learning system, in order -- 02:52

4 well, strike that. 02:52

5 What is the name of the model? 02:52

6 MR. FALCONER: Objection. Beyond the 02:52

7 scope of the topic. 02:52

8 Go ahead. 02:52

9 THE WITNESS: Yeah, I don't -- I can't 02:52

10 describe any names offhand. They have long, like, 02:52

11 text strings for names as I understand it. 02:53

12 BY MR. KO: 02:53

13 Q. Yeah. Do you know the name of the machine 02:53

14 learning database that Facebook uses for its ad 02:53

15 auctions? 02:53

16 A. No. 02:53

17 MR. FALCONER: Object. Same objections as 02:53

18 before. 02:53

19 BY MR. KO: 02:53

20 Q. Are there more than one databases or data 02:53

21 sets in which Facebook utilizes for its ad auctions 02:53

22 or is it just one machine learning data database 02:53

23 that Facebook utilizes? 02:53

24 MR. FALCONER: Same objection. 02:53

25 THE WITNESS: I'm not familiar with the 02:53

1 specifics on how -- how the databases are set up or 02:53
2 how the data is stored. 02:53
3 BY MR. KO: 02:53
4 Q. Do you know who builds the models or has 02:53
5 the primary responsibility for building and 02:53
6 maintaining them? 02:53
7 MR. FALCONER: Same objection. 02:53
8 THE WITNESS: It would be our ads 02:53
9 engineering team. 02:53
10 BY MR. KO: 02:53
11 Q. And that has been true for the entire time 02:53
12 period? 02:54
13 A. Yes. 02:54
14 Q. Are you familiar with the term "data 02:54
15 broker"? 02:54
16 A. Yes. 02:54
17 Q. What's your understanding of that term? 02:54
18 A. At a high level, I understand that term 02:54
19 means company or organization who sells -- 02:54
20 THE REPORTER: I'm sorry, "Organization 02:54
21 who" -- 02:54
22 MR. KO: Yeah, I didn't catch that. 02:54
23 THE REPORTER: I didn't catch -- 02:54
24 THE WITNESS: I understand it's a -- I 02:54
25 understand it's a reference, a company or 02:54

1 organization that sells data. 02:54

2 BY MR. KO: 02:54

3 Q. And Facebook has during the relevant time 02:54

4 period and beyond partnered with the data brokers; 02:54

5 is that correct? 02:54

6 MR. FALCONER: Objection to the portion of 02:54

7 the question that goes outside the time period of 02:55

8 the notice. 02:55

9 Go ahead. 02:55

10 THE WITNESS: We have partnered with 02:55

11 companies that I understand have data in different 02:55

12 forms. 02:55

13 BY MR. KO: 02:55

14 Q. And do you know the identity of these 02:55

15 companies? 02:55

16 A. Some examples that come to mind are 02:55

17 Acxiom, Epsilon, Experian, and Datalogix. 02:55

18 Q. And going back to the ad auction model and 02:55

19 when we were discussing the various inputs that go 02:55

20 into the machine learning data, do data brokers 02:55

21 often or sometimes provide information into the 02:55

22 machine learning database? 02:55

23 MR. FALCONER: Objection on both the 02:55

24 subject matter and the time period of the topic on 02:56

25 notice. 02:56

1 Go ahead. 02:56

2 THE WITNESS: In the -- during the time 02:56

3 period in question, I believe there was one example 02:56

4 of data on a limited basis from some of these data 02:56

5 partners that was the used in our ranking models. 02:56

6 BY MR. KO: 02:56

7 Q. And what was that example? 02:56

8 A. There was a program called Lighthouse 02:56

9 where I believe happened but would need to confirm. 02:56

10 Q. I actually have some questions about 02:56

11 Lighthouse, but we can turn to that in a moment. 02:56

12 So is it your testimony today that you are 02:57

13 not aware or you don't know whether or not data 02:57

14 provided by a data broker was input into the system 02:57

15 or is it your testimony that you believe that they 02:57

16 did not? 02:57

17 MR. FALCONER: Objection. Sorry, were you 02:57

18 done? 02:57

19 MR. KO: Sure. Let me just finish. 02:57

20 MR. FALCONER: Yes, sorry. 02:57

21 BY MR. KO: 02:57

22 Q. So is it your testimony today that you are 02:57

23 not aware or that you don't know whether or not data 02:57

24 is provided by a data broker into the machine 02:57

25 learning system? 02:57

1 MR. FALCONER: Objection. Beyond the 02:57
2 scope of the topic in the notice. 02:57
3 Go ahead. 02:57
4 THE WITNESS: I don't know for certain 02:57
5 whether data from a data broker was used in our 02:57
6 machine learning models. 02:57
7 BY MR. KO: 02:57
8 Q. Okay. Are you aware of whether or not 02:57
9 these data brokers generate any data based on data 02:57
10 provided by Facebook to the data broker? 02:58
11 MR. FALCONER: Same objection. 02:58
12 THE WITNESS: The question was am I aware 02:58
13 if these data brokers generate revenue based on -- 02:58
14 BY MR. KO: 02:58
15 Q. No, sorry, generate any data. 02:58
16 So let me ask you a more straightforward 02:58
17 question. Does Facebook provide Facebook user data 02:58
18 to third-party data brokers? 02:58
19 MR. FALCONER: Same objection. 02:58
20 THE WITNESS: We do not. 02:58
21 BY MR. KO: 02:58
22 Q. Okay. And was that true for the entire -- 02:58
23 that's true for the 2012 through 2017 time period or 02:58
24 are you saying you do not at all? 02:58
25 A. This is -- 02:58

1 MR. FALCONER: Objection to the portion of 02:58
2 the question that goes outside the time period of 02:58
3 the notice. 02:58

4 THE WITNESS: We do not -- over the time 02:58
5 period in question we did not provide user data to 02:58
6 data brokers. 02:58

7 BY MR. KO: 02:58

8 Q. Does Facebook -- during the 2012 through 02:58
9 2017 time period, does Facebook obtain or receive 02:59
10 information about users from data brokers? 02:59

11 A. We received information, user 02:59
12 information -- sorry. We received information from 02:59
13 data brokers for purposes of making targeting 02:59
14 options available to advertisers on Facebook. 02:59

15 It is not my understanding that any 02:59
16 sensitive user data at the individual level was 02:59
17 shared from these partners to Facebook. 02:59

18 Q. Okay. Understood. 03:00

19 So would you agree with me that Facebook 03:00
20 monetizes directly or indirectly and values user 03:00
21 data through offering advertising on its platform? 03:00

22 A. I would -- I would say we leverage user 03:00
23 data in ads products that generate revenue for us. 03:00
24 And so I think to me that's an indirect form of 03:00
25 monetization of the actual user data. 03:00

1 Q. Go ahead. 03:00

2 A. I think you said, would I agree that we 03:00

3 value user data? And my answer to that would be, 03:00

4 no, I disagree. We don't put a specific value on 03:01

5 any of this user data itself. 03:01

6 Q. So using your words, you said that 03:01

7 Facebook is able to leverage user data in ads 03:01

8 products. Does the leveraging of user data in ad 03:01

9 products lead to the monetization of Facebook's 03:01

10 business? 03:01

11 MR. FALCONER: Objection. Form. 03:01

12 THE WITNESS: Yes, I think we -- as we've 03:01

13 discussed, most of our revenue is from ads. User 03:01

14 and advertiser information is a big part of what 03:02

15 powers ads effectiveness. So I think that is a fair 03:02

16 statement. 03:02

17 BY MR. KO: 03:02

18 Q. And let me ask it a slightly different way 03:02

19 just because, as I said, part of this is making sure 03:02

20 we create a clean record. And I just want to make 03:02

21 sure I use your words. 03:02

22 So would it be fair to say that Facebook 03:02

23 monetizes its business through the leveraging of 03:02

24 user data? 03:02

25 MR. FALCONER: Objection. Form. 03:02

1 THE WITNESS: I would say that we generate 03:02
2 revenue via advertising and our advertising relies 03:02
3 on many things, including user data. 03:02
4 BY MR. KO: 03:02
5 Q. In the context of advertising 03:02
6 specifically, or monetization of its business 03:02
7 generally, has Facebook ever tried to quantify or 03:03
8 otherwise value -- strike that. 03:03
9 In the context of advertising, has 03:03
10 Facebook ever tried to quantify or otherwise assign 03:03
11 a monetary value to user data? 03:03
12 MR. FALCONER: Objection. The question 03:03
13 goes beyond the time period in the notice. 03:03
14 Go ahead. 03:03
15 MR. KO: I don't think I put a time period 03:03
16 on that but -- so I'll ask with respect to 2012 03:03
17 through 2017. 03:03
18 Q. Has Facebook ever tried to quantify or 03:03
19 otherwise assign a monetary value to user data? 03:03
20 A. No, we have not placed a value on user 03:03
21 data specifically. 03:03
22 Q. Do you know -- are you aware of any 03:03
23 efforts to try and do that? 03:03
24 A. I am not aware of any efforts like that. 03:03
25 Q. Are you aware of any efforts by Facebook 03:04

1 to try and sell user data to try and set a real 03:04
2 market value for user data? 03:04
3 A. No. 03:04
4 Q. Do you know whether or not Facebook ever 03:04
5 tried to sell user data to set a public or private 03:04
6 rate for the value of user data? 03:04
7 A. Was that set a public or private rate? 03:04
8 Q. Correct. 03:04
9 A. No, I'm not aware of any such efforts. 03:04
10 Q. Do you think Facebook revenue would be 03:04
11 adversely or negatively impacted if it had less 03:04
12 access to user data? 03:04
13 MR. FALCONER: Objection to form and to 03:04
14 the question going beyond this topic. 03:04
15 THE WITNESS: It's hard for me to answer, 03:04
16 even unqualified answer to that question because I 03:04
17 think that the type of user data matters a lot. 03:04
18 Some data is potentially of no value for our ads 03:05
19 products and ads effectiveness and some might be 03:05
20 much more useful for ads products. 03:05
21 BY MR. KO: 03:05
22 Q. Well, if there were more restrictions on 03:05
23 the amount of data that Facebook could access, do 03:05
24 you think that would have a material impact on 03:05
25 revenue? 03:05

1 MR. FALCONER: Objection to form and 03:05
2 foundation to going outside the scope of the topic. 03:05
3 THE WITNESS: Again, it depends on the 03:05
4 type of data that might be restricted. For example, 03:05
5 if we were not allowed to use any information about 03:05
6 how users interact with ads on Facebook today, then 03:05
7 that would adversely impact the effectiveness of our 03:05
8 ads product. 03:05
9 BY MR. KO: 03:05
10 Q. And the adverse impact would be in a 03:06
11 negative direction, right? 03:06
12 MR. FALCONER: Same objections. 03:06
13 BY MR. KO: 03:06
14 Q. You would make less revenue if you had 03:06
15 less information, correct? 03:06
16 A. I think the -- I think our working 03:06
17 assumption is, you know, improvements in ads 03:06
18 performance lead to more revenue and deterioration 03:06
19 in ads performance leads to decreases in revenue. 03:06
20 It's an assumption we use in a lot of our ads 03:06
21 product development. 03:06
22 So if our ads became less effective 03:06
23 because we had restricted -- we had less access to 03:06
24 specific types of user information that we know is 03:06
25 very important about -- in predicting ads 03:06

1 performance today and in leading to better ads 03:06
2 performance today, then it's likely that would 03:06
3 negatively affect our ads revenue. 03:07

4 Q. And I think we discussed this a little bit 03:07
5 before. I just want to make sure that the record is 03:07
6 clear. 03:07

7 The ability to measure ads or the 03:07
8 effectiveness of Facebook ads is in fact dependent 03:07
9 on user data that Facebook has access to, correct? 03:07

10 A. Some parts of our ability to measure ads 03:07
11 effectiveness are dependent on the information we 03:07
12 have on how users -- how users engage with our ads. 03:07

13 Q. Well, what are -- tell me and describe to 03:07
14 the Court what are some of the important user data 03:07
15 points in particular for the effectiveness of ads. 03:07

16 A. The most -- there's a long list of data 03:07
17 points, but some of the most important ones that 03:08
18 come to mind are, you know, when -- when do 03:08
19 individuals see ads? That is the -- what is the 03:08
20 total reach of a given advertiser's ad? 03:08

21 Another kind of set of important data 03:08
22 points are, as I mentioned before, you know, we try 03:08
23 to understand from advertisers what are the most 03:08
24 important business outcomes that they care about and 03:08
25 try to get this information from advertisers when 03:08

1 they're setting up ads. 03:08

2 So do they care about purchases on their 03:08

3 website? Do they care about what people install on 03:08

4 their mobile app? Do they care about people 03:08

5 watching their videos, for example? 03:08

6 So our ability to actually report on how 03:08

7 many people are buying things on websites, 03:08

8 installing a mobile app, or watching a video, for 03:09

9 example, depends on our ability to actually access 03:09

10 the data that describes when people are taking those 03:09

11 actions after seeing an ad. 03:09

12 Q. And when you were describing the first 03:09

13 factor, when individuals see an ad, were you 03:09

14 actually saying the time at which they see it, or 03:09

15 were you just saying -- simply saying whether or not 03:09

16 they see the ad? Or is time an actual factor in 03:09

17 part of this? I just want to make sure I understand 03:09

18 your testimony. 03:09

19 A. Whether they see an ad is important and 03:09

20 when they see an ad and when they take an action 03:09

21 or -- if they don't take an action as a result of 03:09

22 seeing an ad. All of those are important. 03:09

23 Generally pieces of information for 03:09

24 advertisers when they're trying to understand how 03:09

25 effective their ad spend is, and important 03:09

1 information for us as we are trying to help 03:10
2 advertisers understand how effective their ads are. 03:10
3 Q. Got it. Thank you. 03:10
4 So I'm going to go ahead and show you -- 03:10
5 I'm going to share my screen again. You tell me if 03:10
6 you're more comfortable pulling up the exhibit. But 03:10
7 this is an exhibit we previously went over. 03:10
8 MR. KO: For the record, it's Exhibit 7, 03:10
9 which was the 2016 annual report. 03:10
10 Q. On page 9 of the actual report, which is 03:10
11 page 11 of the PDF, there's a section that talks 03:10
12 about advertising. 03:10
13 And I'm sharing my screen, Amy. If you 03:10
14 feel more comfortable looking at the document itself 03:10
15 on your own screen, you're more than welcome to do 03:11
16 that. It looks like you got maybe two screens up -- 03:11
17 A. Yeah. 03:11
18 Q. -- so you can do both. 03:11
19 A. Yes, I'm pulling it up on my screen as 03:11
20 well. And just to confirm, this is Exhibit 8, not 03:11
21 7. 03:11
22 Q. Yes. Thank you for the clarification. 03:11
23 Exhibit 7 is your LinkedIn profile. This is 03:11
24 Exhibit 8. 03:11
25 So I guess we can do it both ways if 03:11

1 you've got two screens. But I am on, like I said, 03:11
2 page 9 of the actual report, and there's a section 03:11
3 here titled "We generate substantially all of our 03:11
4 revenue from advertising." 03:11

5 Do you see that? 03:11

6 A. Yes. 03:11

7 Q. And I believe a few bullets down, seven 03:11
8 bullets down, there is -- I kind of highlighted it 03:11
9 here -- oh, didn't mean to highlight the whole 03:11
10 thing. 03:11

11 The -- well, first of all, do you see 03:11
12 where it says "Our advertising revenue could be 03:11
13 adversely affected by a number of other factors"? 03:12

14 Did I read that correctly? 03:12

15 A. Yes. 03:12

16 Q. And then why don't you go ahead and read 03:12
17 into the record for me the bullet that I've 03:12
18 highlighted. Well, now it's gone. The trials and 03:12
19 tribulations of doing this remotely. There, it's 03:12
20 highlighted. 03:12

21 A. "The availability, accuracy, and utility 03:12
22 of analytics and measurement solutions offered by us 03:12
23 or third parties that demonstrate the value of our 03:12
24 ads to marketers, or our ability to further improve 03:12
25 such tools." 03:12

1 Q. So would you agree that this is an 03:12
2 important factor that could adversely affect ad 03:12
3 revenue? 03:12

4 A. Yes. 03:12

5 Q. And you would agree with me that the 03:12
6 ability to provide actual analytics and measurement 03:12
7 solutions is dependent on user data that Facebook 03:12
8 has access to? 03:12

9 MR. FALCONER: Objection. Form. 03:13

10 Go ahead. 03:13

11 THE WITNESS: Yes, it is dependent on user 03:13
12 value -- user data that Facebook has access to. 03:13

13 BY MR. KO: 03:13

14 Q. Going to page 11 of the annual report. 03:13
15 And again, feel free to navigate yourself. I just 03:13
16 have it for your convenience on the screen share as 03:13
17 well. 03:13

18 But there's a section that describes -- 03:13
19 and this, for the record, starts on page 10 -- but 03:13
20 there's a section that says "Our business is highly 03:13
21 competitive. Competition presents an ongoing threat 03:13
22 to the success of our business." 03:13

23 Do you see that? 03:13

24 A. Yes. 03:13

25 Q. And then going to the next page, there is 03:13

1 another portion or another paragraph underneath that 03:13
2 same section that says "We believe that our ability 03:13
3 to compete effectively depends upon many factors 03:13
4 both within and beyond our control, including," and 03:14
5 it sets forth a series of factors. 03:14

6 Did I read that correctly? 03:14

7 A. Yes. 03:14

8 Q. And one of the factors -- I'll hand it off 03:14
9 to you so I don't do all the talking. Can you read 03:14
10 into the record this factor that I've highlighted on 03:14
11 the screen? 03:14

12 A. "Marketing and selling efforts, including 03:14
13 our ability to measure the effectiveness of our ads 03:14
14 and to provide marketers with a compelling return on 03:14
15 their investments." 03:14

16 Q. So based on that statement, would you 03:14
17 agree with me that if your ability to measure ads 03:14
18 decreases, Facebook would make less revenue? 03:14

19 MR. FALCONER: Objection. Form. 03:14

20 THE WITNESS: I think an important piece 03:14
21 of this statement is our ability to compete depends 03:14
22 on our ability to measure the effectiveness of ads 03:15
23 and provide marketers with a compelling return on 03:15
24 their investments. 03:15

25 I think that latter piece of the sentence 03:15

1 is what I talked about before. We want to make sure 03:15
2 we're providing highly effective ads for advertisers 03:15
3 because we believe that if we do that, then the 03:15
4 revenue should follow. 03:15

5 It is harder for us to be able to provide 03:15
6 highly effective ads for advertisers if we can't 03:15
7 measure how effective those ads are. 03:15

8 BY MR. KO: 03:15

9 Q. And part of measuring the effectiveness of 03:15
10 ads is dependent on the amount of information 03:15
11 Facebook has about a user, correct? 03:15

12 A. It is dependent on information that 03:15
13 Facebook has about users, but I wouldn't directly 03:15
14 say it's dependent on the amount of information. 03:15

15 Q. Sure. You said -- 03:15

16 A. It would depend upon -- 03:15

17 Q. Sorry, I didn't mean to cut you off. 03:15

18 I believe you said earlier that it depends 03:16
19 on how you use that information, or how Facebook 03:16
20 uses that information, correct? 03:16

21 A. It does depend on how Facebook uses the 03:16
22 information. I think the specific type of 03:16
23 information we're talking about is more important 03:16
24 than the amount of the data. 03:16

25 Q. Great. We talked -- we've talked many 03:16

1 times and touched upon user engagement throughout 03:16

2 today. Does that term sound familiar to you? 03:16

3 A. Yes. 03:16

4 Q. Can you describe to the Court in your 03:16

5 words what you believe user engagement means? 03:16

6 MR. FALCONER: Objection. Beyond the 03:16

7 scope of the notice. 03:16

8 But go ahead. 03:16

9 THE WITNESS: In the context of the 03:16

10 discussion we've been having about ads products and 03:16

11 how we use user data to drive better performance 03:17

12 from our ads products, we consider user engagement 03:17

13 as one of the many factors in the types of 03:17

14 information that we use. 03:17

15 This could mean -- I think importantly for 03:17

16 ads, user engagement with ads content is very 03:17

17 important. You know, what are the ads that -- that 03:17

18 people are clicking and liking? 03:17

19 We're also interested in users' engagement 03:17

20 with other types of content on the platform. So, 03:17

21 for example, nonpaid posts by businesses. You know, 03:17

22 how often are -- are -- is an individual, you know, 03:17

23 engaging with that type of content, or like 03:18

24 businesses in a particular category, for example. 03:18

25 BY MR. KO: 03:18

1 Q. So describe that to me a little more. 03:18

2 Well, let's take a step back. 03:18

3 So clicking and liking are two ways in 03:18

4 which Facebook measures user engagement; is that 03:18

5 correct? 03:18

6 A. Yes. 03:18

7 Q. And you also described just a moment ago 03:18

8 whether or not users are interested with other types 03:18

9 of content on the platform, for example, nonpaid 03:18

10 posts by businesses. Can you describe a little more 03:18

11 what you mean by nonpaid posts by businesses? 03:18

12 A. Yes. I think -- 03:18

13 Q. So -- go ahead. 03:18

14 A. I first described, you know, one piece of 03:18

15 important user engagement data that we do use on the 03:18

16 ad side is user engagement with ads specifically. 03:18

17 So are they clicking and liking -- are they clicking 03:18

18 on or liking ads? 03:19

19 Another, you know, potentially important 03:19

20 source of information that we consider in ads is any 03:19

21 engagement with non-ad content from businesses on 03:19

22 our platform. 03:19

23 So, for example, a business can, you 03:19

24 know -- businesses can create a page for free on 03:19

25 Facebook and post content to that page. We call 03:19

1 them organic posts. And people engage with those 03:19

2 posts. 03:19

3 And so, you know, we -- people choose -- 03:19

4 can also choose to follow different businesses. And 03:19

5 if they follow a business, they will be more likely 03:19

6 to see these posts in their News Feed independent of 03:19

7 if businesses are actually putting ad spin behind -- 03:19

8 behind these posts. 03:19

9 So user engagement on these types of 03:19

10 organic posts from businesses could be another 03:19

11 signal that we use in our ad models. 03:19

12 Q. That's helpful. Thank you. 03:20

13 What does Facebook do to increase user 03:20

14 engagement? 03:20

15 MR. FALCONER: Objection. Beyond the 03:20

16 scope of the topic in the notice. 03:20

17 THE WITNESS: Can you clarify? You're 03:20

18 asking about any specific types of user engagement 03:20

19 or any -- 03:20

20 BY MR. KO: 03:20

21 Q. Sure. Let me ask it this way. User 03:20

22 engagement is an important metric for Facebook to 03:20

23 track, correct? 03:20

24 MR. FALCONER: Same objection. 03:20

25 THE WITNESS: It depends on the type of 03:20

1 user engagement, and it depends on, like, which team 03:20
2 we're really speaking about. 03:21
3 So an example is if I am a team working on 03:21
4 our Facebook Watch product, I would care about 03:21
5 users' engagement with the Facebook Watch product 03:21
6 specifically and track that, and my product team 03:21
7 working on Facebook Watch might track that. 03:21
8 That same engagement data would probably 03:21
9 be -- like specifically would probably be less -- 03:21
10 much less important to the ads team. 03:21
11 BY MR. KO: 03:21
12 Q. I understand. That's fair enough. 03:21
13 By the way, I didn't know Facebook made a 03:21
14 watch -- or -- I don't know if that's -- 03:21
15 A. It's a video-watching -- 03:21
16 Q. Got it. 03:21
17 A. -- tool on the platform. 03:21
18 Q. You can watch a video on your watch? 03:21
19 A. It's not really a -- 03:21
20 Q. It's an actual tool on the platform? 03:21
21 A. It's like an app, yeah. It's not really 03:21
22 like a watch. 03:22
23 Q. Not a watch. 03:22
24 A. Correct. 03:22
25 Q. Got it. Sorry for that aside. 03:22

1 So would -- would one -- and I appreciate 03:22
2 the clarification you made about user engagement. 03:22
3 But would one important factor of user engagement be 03:22
4 the time that a user spends on the Facebook 03:22
5 platform? Is that one important way to measure user 03:22
6 engagement? 03:22
7 MR. FALCONER: Objection. Beyond the 03:22
8 scope of the topic. 03:22
9 THE WITNESS: There may be or may have 03:22
10 been specific teams, product teams within Facebook 03:22
11 tracking that specific metric over time. I can't 03:22
12 say for certain if that's still the case or was ever 03:22
13 the case. 03:23
14 BY MR. KO: 03:23
15 Q. Fair enough. 03:23
16 I don't know if you still have Exhibit 8 03:23
17 in front of you. But I'll go ahead and, since 03:23
18 this -- since I'm becoming more familiar with 03:23
19 sharing the screen in the deposition, I'll have it 03:23
20 up on the screen for you as well for your 03:23
21 convenience. 03:23
22 But go back to -- I'm going back to page 9 03:23
23 of the annual report, and specifically the 03:23
24 discussion about "Facebook generating substantially 03:23
25 all of our revenue from advertising." 03:23

1 Let me know when you're there. 03:23

2 A. I'm here, yes. 03:23

3 Q. By the way, we spoke about what portion of 03:23

4 Facebook's ad revenue was relative to the total 03:23

5 revenue, and here you see in that second sentence 03:23

6 the quote "For 2016, 2015 and 2014, advertising 03:23

7 accounted for 97 percent, 95 percent and 92 percent, 03:23

8 respectively, of our revenue." 03:24

9 Did I read that correctly? 03:24

10 A. Yes. 03:24

11 Q. And it's fair to say those are the general 03:24

12 statistics or percentages that have -- that 03:24

13 advertising revenue has reflected over or since 03:24

14 2016; is that fair to say? 03:24

15 MR. FALCONER: Objection. Form and beyond 03:24

16 the time period of the notice. 03:24

17 THE WITNESS: I know that advertising has 03:24

18 continued to be the large majority of our revenue, 03:24

19 but I can't confirm the exact percentages without 03:24

20 pulling them to calculate them. 03:24

21 BY MR. KO: 03:24

22 Q. And in the -- we talked about how the 03:24

23 adverse -- the factors that could adversely affect 03:24

24 the advertising revenue. Can you read for me the 03:24

25 very first factor? 03:24

3	Q. So would a good working assumption be that	03:25
4	increases are -- an increase to user engagement	03:25
5	would equal more -- an opportunity to generate more	03:25
6	revenue for Facebook; is that fair to say?	03:25

9	Go ahead.	03:25
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16	And generally speaking, if a user is	03:25
17	spending more time on our products overall, then	03:25
18	there are likely more opportunities to show ads to	03:25
19	that person. But there might be other types of user	03:25
20	engagement that are less -- are less relevant to our	03:25
21	ability to show ads to that person.	03:25

23	Q. You testified earlier about wanting users	03:26
24	or Facebook wanting users to have a good experience.	03:26
25	Do you recall that testimony?	03:26

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1 One is just positive engagement from 03:27
2 people with ads, the likes and the clicks on the 03:28
3 ads, for example. 03:28

4 A second way that -- a method we used in 03:28
5 the past, including the time frame referenced here, 03:28
6 I believe, is that, you know, something that's 03:28
7 actually factored into our ad auction calculations 03:28
8 is we surveyed users to see how they feel about the 03:28
9 ads they see. 03:28

10 For example, like on a scale of 1 to 5, 03:28
11 how relevant did you find this ad? And we might use 03:28
12 those responses in the machine-learning models to 03:28
13 figure out who -- who -- what the best ads are to 03:28
14 show to people in the future. 03:28

15 Q. How often do you survey users for this 03:28
16 purpose? 03:28

17 MR. FALCONER: Objection. Beyond the 03:28
18 scope of the topic. 03:28

19 THE WITNESS: I can't confirm the exact 03:28
20 cadence of the surveys that might have occurred. 03:29

21 THE REPORTER: I'm sorry. I am having a 03:29
22 hard time understanding you. 03:29

23 (Discussion off the record.) 03:29

24 THE WITNESS: So I think I was saying I 03:29
25 can't confirm the cadence with which we surveyed 03:29

1 users during the time period in question. 03:29

2 BY MR. KO: 03:29

3 Q. And who sets up these surveys? Is it the 03:29

4 engineering group or the ad engineering group? 03:29

5 MR. FALCONER: Same objection. 03:29

6 THE WITNESS: I don't know for certain. 03:29

7 BY MR. KO: 03:29

8 Q. And I believe you had said -- and correct 03:29

9 me if I'm wrong -- that it's also important for 03:29

10 Facebook to evaluate whether an advertiser has a 03:29

11 good experience. 03:29

12 A. For advertisers, I would say it's more 03:30

13 important to ensure they are getting value from 03:30

14 their ads, that they are perceiving their ads are 03:30

15 effective and driving the business outcomes they 03:30

16 care about. 03:30

17 Q. And is an important metric for them and 03:30

18 one that Facebook discusses or negotiates with them 03:30

19 their return on investment or ROI? 03:30

20 A. In many cases, yes. 03:30

21 Q. And are you familiar with -- you 03:30

22 referenced it before, but you've mentioned return on 03:30

23 advertising or ad spend, ROAS. Is that an important 03:30

24 metric for advertisers as well? 03:30

25 A. For many advertisers, yes. 03:30

1 Q. What's the distinction, by the way, 03:30
2 between ROI and ROAS? 03:30

3 A. Return on ad spend is a metric or key 03:30
4 performance indicator that is more specific to 03:31
5 advertising. Sometimes we use return on investment 03:31
6 kind of interchangeably, but return on investment is 03:31
7 a term that could be used outside of advertising as 03:31
8 well. 03:31

9 Q. Fair to say ROI is slightly or generally 03:31
10 speaking more broad than ROAS because ROAS is 03:31
11 specifically focusing on advertising spend? 03:31

12 A. Correct. 03:31

13 Q. We talked about the different categories 03:31
14 of Facebook advertisers a little bit before. But -- 03:31
15 and let's start with your group and your knowledge 03:31
16 in the ad delivery group. Does the ad delivery 03:31
17 group categorize different advertisers in any way? 03:31

18 MR. FALCONER: Objection. Beyond the 03:31
19 scope of the topic. 03:31

20 THE WITNESS: When we have product 03:32
21 discussions, we sometimes reference different groups 03:32
22 of advertisers as we talk about the different needs 03:32
23 of different types of advertisers. 03:32

24 One broad -- broad distinction that we've 03:32
25 commonly used in the past is we have both managed 03:32

1	advertisers and unmanaged advertisers. Managed	03:32
2	advertisers would be those advertisers that have a	03:32
3	specific Facebook sales team assigned to them, and	03:32
4	unmanaged advertisers would be those advertisers who	03:32
5	do not.	03:32

7	Q. So with respect to the managed advertisers	03:33
8	and unmanaged advertisers, does -- or other than	03:33
9	that distinction, does Facebook or your group	03:33
10	otherwise distinguish the various types of	03:33
11	advertisers that place ads on Facebook?	03:33

13	THE WITNESS: There are other groupings	03:33
14	that people within the team sometimes use depending	03:33
15	on the context.	03:33

17	Q. Well, let me try to ask a more specific	03:33
18	question. It's not -- it's not a trick question of	03:33
19	any sort. I'm just trying to educate myself on your	03:33
20	group.	03:33

1 e-commerce, political groups. 03:34

2 So does your group or Facebook categorize 03:34

3 or group these types of advertisers into those types 03:34

4 of categories or is that not a distinction that 03:34

5 Facebook makes? 03:34

6 MR. FALCONER: Same objection. 03:34

7 THE WITNESS: So, yes, we have -- there 03:34

8 are teams who use similar categories. And like the 03:34

9 precise categorization could, again, differ 03:34

10 depending on the context. For example, when 03:34

11 businesses set up a page on Facebook, set up a 03:34

12 business page on Facebook, I believe they have to 03:34

13 specify what industry protocol that they consider 03:34

14 their business to be a part of. So there's a 03:34

15 categorization there. 03:34

16 When the ads delivery product team 03:34

17 considers, you know, future product investments we 03:35

18 might make, sometimes we might conduct advertiser 03:35

19 research that's roughly based on, you know, 03:35

20 advertisers across different verticals, but it might 03:35

21 not, you know, align exactly with the business page 03:35

22 categorization that I mentioned earlier. 03:35

23 BY MR. KO: 03:35

24 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED] 03:35

1 [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] 03:35
7 MR. FALCONER: Same objection. 03:35
8 [REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
[REDACTED] [REDACTED] [REDACTED]
16 THE REPORTER: Thank you. 03:36
17 BY MR. KO: 03:36
18 Q. How about some of the other groups that 03:36
19 are involved in advertising? So obviously there's 03:36
20 your group, the ad delivery group. But earlier this 03:36
21 morning you had talked about business interface 03:36
22 group, the business integrity group, the signals 03:36
23 group, the business opportunity group, and the 03:36
24 commerce group. 03:36
25 Do these groups or your ad delivery group, 03:36

1 do they differentiate between advertisers in any 03:36
2 fashion? 03:37

3 MR. FALCONER: Same objection. 03:37

4 THE WITNESS: Though I would say that 03:37
5 different product groups out of the list that you 03:37
6 mentioned there may each have different ways of 03:37
7 categorizing advertisers based on the needs of their 03:37
8 specific product group. 03:37

9 For example, I understand that the 03:37
10 business interfaces team uses -- they segment their 03:37
11 customers into three major groups based on usage of 03:37
12 our ads products. I think they have -- they 03:37
13 separate advertisers into basic intermediate and 03:37
14 advanced advertisers. 03:37

15 And that serves the needs of -- of that 03:37
16 product team when it comes to the, you know, 03:37
17 understanding advertiser needs across they're -- 03:37
18 across the products they support. 03:38

19 BY MR. KO: 03:38

20 Q. That's helpful. 03:38

21 Does Facebook -- do any of these groups or 03:38
22 your group isolate or identify advertisers that are 03:38
23 also developers on the Facebook platform? 03:38

24 MR. FALCONER: Same objection. 03:38

25 THE WITNESS: We have several teams who 03:38

1 focus on app advertisers. And generally speaking, 03:38
2 app advertisers, in addition to being advertisers, 03:38
3 may also be app developers who use our mobile 03:38
4 developers products. 03:38

5 BY MR. KO: 03:38

6 Q. And what teams at Facebook are responsible 03:38
7 for that relationship? 03:38

8 MR. FALCONER: Same objection. 03:38

9 THE WITNESS: Do you mean -- well, two 03:39
10 product -- 03:39

11 BY MR. KO: 03:39

12 Q. I can -- I can clean that up. 03:39

13 You -- you had said to me that there are 03:39
14 several teams that focus on app advertisers and that 03:39
15 some of these advertisers are, of course, obviously 03:39
16 developers. So I'm just asking what teams at 03:39
17 Facebook are responsible for managing of the 03:39
18 relationship with these app advertisers that are 03:39
19 also developers? 03:39

20 MR. FALCONER: Objection. Beyond the 03:39
21 scope of the notice. 03:39

22 THE WITNESS: So I was speaking 03:39
23 specifically about product teams. And as product 03:39
24 teams we don't manage relationships. We manage the 03:39
25 products for given advertisers. 03:39

1 So in terms of building products 03:39

2 specifically for app advertisers, these would be the 03:39

3 business opportunities team and the delivery 03:39

4 products team. As -- these are the -- these are two 03:39

5 teams that have a specific focus on products for app 03:39

6 advertisers. 03:40

7 BY MR. KO: 03:40

8 Q. Thank you. 03:40

9 Do you know whether or not app developers 03:40

10 that are also advertisers get any preferential 03:40

11 treatment? 03:40

12 MR. FALCONER: I'm sorry, David, I 03:40

13 couldn't quite hear that. Would you mind to repeat 03:40

14 that? 03:40

15 MR. KO: Sure. 03:40

16 Q. I asked, do you know whether or not app 03:40

17 developers that are also advertisers get any 03:40

18 preferential treatment? 03:40

19 MR. FALCONER: Objection to form. 03:40

20 Go ahead. 03:40

21 THE WITNESS: Can you clarify what you 03:40

22 might mean by "preferential treatment"? 03:40

23 BY MR. KO: 03:40

24 Q. Are there any revenue sharing agreements 03:40

25 that Facebook has with app developers that are also 03:40

1 advertisers? 03:40

2 MR. FALCONER: Objection. Beyond the 03:40

3 scope of the notice, but go ahead. 03:40

4 THE WITNESS: No. 03:41

5 BY MR. KO: 03:41

6 Q. No, they don't, or, no, you don't know? 03:41

7 A. Let me -- I was going to say, no, they 03:41

8 don't. But actually I want to revise that 03:41

9 statement. 03:41

10 In general, app developers who are also 03:41

11 advertisers -- we do not have any revenue sharing 03:41

12 agreements broadly with app developers who are also 03:41

13 app advertisers. 03:41

14 We do have a product called Audience 03:41

15 Network where app developers, some app developers, 03:41

16 choose to become part of a network of apps and 03:41

17 services that can -- where -- where essentially 03:42

18 advertisers, Facebook advertisers, have their ads 03:42

19 show up in a broader network of apps beyond Facebook 03:42

20 that can help advertiser performance by broadening 03:42

21 reach. 03:42

22 And for apps who are part of this Audience 03:42

23 Network, we do have a revenue sharing agreement with 03:42

24 these apps and publishers based on the amount of 03:42

25 revenue from ads that are being shown in their apps 03:42

1 and on their websites via -- via this network 03:42

2 arrangement. 03:42

3 This is a subset of overall -- or there is 03:42

4 some overlap between the apps that participate in 03:42

5 Audience Network and apps who are also advertisers 03:42

6 on Facebook. 03:43

7 Q. And when did this Audience Network begin? 03:43

8 [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

16 A. Correct, yes. 03:43

17 Q. I assume you're familiar with the term 03:43

18 "marketing plan"? 03:44

19 A. I've heard the term used. I think the 03:44

20 exact meaning might depend on the context. 03:44

21 Q. Sure. Well, does the -- does your ad 03:44

22 delivery group create market plans? 03:44

23 MR. FALCONER: Objection. Beyond the 03:44

24 scope. 03:44

25 THE WITNESS: We might create a 03:44

1 go-to-market plan for a specific product. 03:44

2 BY MR. KO: 03:44

3 Q. Are you aware of whether or not the other 03:44

4 groups related to advertising -- and those being the 03:44

5 business interface group, the business integrity 03:44

6 group, the signal group, the business opportunity 03:44

7 group or the commerce group -- have any marketing 03:44

8 plans? 03:44

9 MR. FALCONER: Same objection. 03:44

10 THE WITNESS: Similarly they might have 03:44

11 go-to-market plans for specific products. So if 03:44

12 there's anything else that you're referring to with 03:45

13 respect to a marketing plan, I would have -- I -- I 03:45

14 might -- 03:45

15 BY MR. KO: 03:45

16 Q. You're -- go ahead. I'm sorry, I didn't 03:45

17 mean to interrupt -- cut you off. 03:45

18 A. I was saying I might be able to have my 03:45

19 recollection refreshed with some more specific 03:45

20 examples. But the first thing that comes to mind 03:45

21 when you asked this question is go-to-market plans 03:45

22 that product teams would put together before 03:45

23 launching a specific product. 03:45

24 Q. With respect to advertisements on Facebook 03:45

25 and monetizing advertisements on Facebook, does the 03:45

1 ad delivery group or any of these other five groups 03:45

2 possess marketing plans? 03:45

3 MR. FALCONER: Same objection. 03:45

4 THE WITNESS: The term in this context 03:45

5 doesn't ring a bell for anything specific for me. 03:45

6 BY MR. KO: 03:46

7 Q. How about -- so you described -- we went 03:46

8 over your LinkedIn profile, and you had described 03:46

9 yourself as a lead monetization strategist for the 03:46

10 ad delivery group, correct? 03:46

11 A. I think I said that one of the things I'm 03:46

12 responsible for is monetization strategy for our 03:46

13 portfolio of products. 03:46

14 Q. So when executing the strategy with 03:46

15 respect to monetization of the portfolio products 03:46

16 that you manage, do you create a marketing plan of 03:46

17 any sort to plan for and effectuate your strategy? 03:46

18 MR. FALCONER: Objection. Beyond the 03:46

19 scope of the topic. 03:46

20 THE WITNESS: Yes, I think specifically 03:46

21 with respect to marketing, we -- like for specific 03:46

22 products or products that we're making changes to, 03:47

23 we put together go-to-market plans to inform how we 03:47

24 actually launch user products in market. 03:47

25

1 BY MR. KO: 03:47

2 Q. And are you responsible for or at least 03:47

3 contribute to these go-to-market plans? 03:47

4 A. Yes, my team and I are responsible for 03:47

5 these plans. 03:47

6 Q. And do you actually produce a plan in the 03:47

7 form of -- I don't know. You tell me. Is it a 03:47

8 PowerPoint presentation or a PDF? Is there an 03:47

9 actual plan that you produce that you share with 03:47

10 your team and others? 03:47

11 MR. FALCONER: Objection. Beyond the 03:47

12 scope of the topic. 03:47

13 THE WITNESS: Generally speaking, yes, 03:47

14 there would be some sort of document like a slide 03:47

15 deck that outlines the go-to-market plan. 03:47

16 BY MR. KO: 03:48

17 Q. And what's the -- approximately speaking, 03:48

18 what's the frequency with which you create these 03:48

19 marketing plans? 03:48

20 MR. FALCONER: Same objection. 03:48

21 THE WITNESS: It really varies based on 03:48

22 the time of year and what is on the product road map 03:48

23 for a given period. 03:48

24 Last year in page 2 of 2020, we weren't 03:48

25 launching a lot of new products in my team. So 03:48

1 probably there were fewer than 10 plans. I don't 03:48
2 know the specific number offhand. 03:48
3 BY MR. KO: 03:48
4 Q. And a moment ago you said "page 2." You 03:48
5 just mean the second half of the year? 03:48
6 A. Yes. 03:49
7 Q. And the second half of the calendar year, 03:49
8 right, as Facebook goes off the calendar year in -- 03:49
9 A. I was referring to the calendar year, 03:49
10 second half of 2020. 03:49
11 Q. And so how many -- in your role as lead of 03:49
12 the ad delivery group, since you've been lead, how 03:49
13 many -- approximately speaking, how many marketing 03:49
14 plans would you say you've worked on? 03:49
15 MR. FALCONER: Objection. Beyond the 03:49
16 scope of the topic. 03:49
17 THE WITNESS: My team has worked on -- I 03:49
18 can't confirm a specific number, but it's in the 03:49
19 double digits of plans. 03:49
20 BY MR. KO: 03:49
21 Q. And, again, these plans -- just so the 03:49
22 record is clear, my understanding is that these 03:49
23 plans contain strategy with respect to monetization 03:49
24 of certain Facebook products related to advertising; 03:49
25 is that correct? 03:49

1 MR. FALCONER: Objection. Beyond the 03:50
2 scope. 03:50
3 THE WITNESS: Not necessarily. These 03:50
4 plans are more about positioning and key messages. 03:50
5 We will try to share with advertisers when we launch 03:50
6 a product and might also include tactics to drive 03:50
7 adoption of these products across different groups 03:50
8 of advertisers and address any specific concerns 03:50
9 that different groups of advertisers might have 03:50
10 around the products. 03:50
11 BY MR. KO: 03:50
12 Q. Okay. And beyond these market plans, do 03:50
13 you set broader goals or targets for your group? 03:50
14 MR. FALCONER: Same objection. 03:50
15 THE WITNESS: Yes. 03:51
16 BY MR. KO: 03:51
17 Q. And do these goals or targets include the 03:51
18 monetization of the -- of Facebook ads? 03:51
19 MR. FALCONER: Same objection. 03:51
20 THE WITNESS: We sometimes set revenue 03:51
21 goals for -- for our team based on product adoption. 03:51
22 BY MR. KO: 03:51
23 Q. And are these goals reflected in either 03:51
24 the marketing plans or in some other document? 03:51
25 MR. FALCONER: Same objection. 03:51

1 THE WITNESS: They would not generally be 03:51
2 included in the go-to-market plans. We would track 03:51
3 them separately in other documents that the team 03:51
4 uses. 03:51
5 BY MR. KO: 03:51
6 Q. And what types of documents are those? 03:51
7 A. We have road map documents that each 03:51
8 product team puts together. We check in on status 03:52
9 of the road maps every month with product 03:52
10 leadership, and we might reference revenue and 03:52
11 product adoption goals in those documents. 03:52
12 Q. And, again, are you responsible, or at 03:52
13 least contribute to the creation of these documents, 03:52
14 including the road map documents? 03:52
15 A. I can -- 03:52
16 MR. FALCONER: Same objection. 03:52
17 THE WITNESS: I contribute to the road map 03:52
18 documents. 03:52
19 BY MR. KO: 03:52
20 Q. And other members of your team in the ad 03:52
21 delivery group do, or are there other individuals 03:52
22 outside of the ad delivery group that contribute to 03:52
23 them? 03:52
24 MR. FALCONER: Same objection. 03:52
25 THE WITNESS: There are partners I work 03:52

1 with in the ads delivery team that also contribute. 03:52

2 MR. FALCONER: David, we have been going 03:52

3 for a little more than an hour. Is there a place we 03:52

4 can take a quick break? 03:53

5 MR. KO: Sure. I just have a few more 03:53

6 questions related to this and then we can wrap it 03:53

7 up. It's up to you, Amy. I'm happy to take a break 03:53

8 right now too if you want. 03:53

9 MR. FALCONER: You mean -- when you say 03:53

10 "wrap it up," you mean just this topic or -- 03:53

11 MR. KO: Just this topic. 03:53

12 MR. FALCONER: Yeah, okay. Yeah, it's up 03:53

13 to you, Amy. 03:53

14 THE WITNESS: We can finish up this topic. 03:53

15 BY MR. KO: 03:53

16 Q. Okay. Are you familiar -- so related -- 03:53

17 related to documents created by your group that 03:53

18 reflect your strategy, are you familiar with the 03:53

19 term "business plan"? 03:53

20 A. Yes. 03:53

21 Q. Does your group or any of the five groups 03:53

22 that we talked about before -- well, let me take a 03:53

23 step back. 03:53

24 What's your understanding of what a 03:53

25 business plan is? 03:53

1	A. In the context I'm used to hearing that	03:53
2	term, it is a plan around a new business that's	03:53
3	being created and describes what that business is.	03:54
4	The product will be what their operating model will	03:54
5	be, what their target customer base will be in --	03:54
6	THE REPORTER: "Will be in this"...	03:54
7	THE WITNESS: What their target -- what	03:54
8	their target customer segment will be in this kind	03:54
9	of thing.	03:54
10	BY MR. KO:	03:54
11	Q. And does your -- does the ad delivery	03:54
12	group create business plans?	03:54
13	MR. FALCONER: Objection. Outside the	03:54
14	scope of the topic.	03:54
15	THE WITNESS: We have created strategy	03:54
16	documents in the past which might be a time-closed	03:54
17	parallel.	03:54
18	BY MR. KO:	03:54
19	Q. And are you aware of whether or not the	03:55
20	five other groups related to advertising create	03:55
21	business plans?	03:55
22	MR. FALCONER: Same objection.	03:55
23	THE WITNESS: Business plan means	03:55
24	something more kind of specific to me that -- it's	03:55
25	just not a term we really use in ads. But in terms	03:55

1 of a strategy documents, I don't know for certain, 03:55
2 but assume many of these other teams will also have 03:55
3 compiled these documents. 03:55

4 BY MR. KO: 03:55

5 Q. And just a few more questions on this and 03:55
6 we can take a break. 03:55

7 But with respect to these strategy 03:55
8 documents that the ads delivery group creates, 03:55
9 what's the frequency with which they create such 03:55
10 documents? 03:55

11 MR. FALCONER: Same objection. 03:55

12 THE WITNESS: I think what we have done 03:55
13 with an ads delivery is just do a one-time sprint to 03:56
14 build out a -- as comprehensive as we can -- 03:56
15 document. And the intent is to revisit the same 03:56
16 document and edit it over time. 03:56

17 BY MR. KO: 03:56

18 Q. And what are -- are they called strategy 03:56
19 documents or are they called something else? 03:56

20 MR. FALCONER: Same objection. 03:56

21 THE WITNESS: We call it a strategy 03:56
22 document. 03:56

23 BY MR. KO: 03:56

24 Q. Okay. And would you think that same 03:56
25 frequency or do you know the frequency in which 03:56

1	you're familiar with the term "data broker," right?	04:17
2	A. Yes.	04:17
3	Q. And in the past my understanding is that	04:17
4	Facebook has acknowledged both, you know, in public	04:17
5	statements and on its websites that it works with	04:17
6	measurement partners. Are you familiar with that	04:17
7	concept?	04:17
8	A. Yes.	04:17
9	MR. FALCONER: Objection. Beyond the	04:17
10	scope of the notice.	04:17
11	Again, feel free to answer based on what	04:17
12	you know.	04:17
13	THE WITNESS: Yes, I'm familiar with the	04:17
14	concept.	04:17
15	BY MR. KO:	04:17
16	Q. Am I right that measurement partners are	04:17
17	similar to data brokers?	04:17
18	MR. FALCONER: Same objection.	04:17
19	THE WITNESS: I think -- I think the role	04:17
20	that they play in the ads ecosystem is different. I	04:17
21	think it would depend on many things specific you	04:17
22	might be referring to.	04:17
23	BY MR. KO:	04:17
24	Q. Sure. Well, why don't you describe to the	04:17
25	Court what you believe your understanding is of a	04:18

1 measurement partner. 04:18

2 MR. FALCONER: Same objection. 04:18

3 THE WITNESS: So many advertisers 04:18

4 advertise across several different ads platforms at 04:18

5 the same time and have a need to understand the 04:18

6 effectiveness of their ads across all these 04:18

7 different platforms in terms of driving the business 04:18

8 outcomes that they care about. 04:18

9 For example, an advertiser might -- you 04:18

10 know, might care about driving sales on their 04:18

11 website or installs of a mobile app and might want 04:18

12 to know after placing ads across all of these 04:18

13 platforms which platform was -- which platforms were 04:18

14 more or less effective in driving the website sales 04:18

15 or the app installs. That's at a high level my 04:18

16 understanding of the role of measurement partners as 04:19

17 it relates to ads. 04:19

18 BY MR. KO: 04:19

19 Q. And so these measurement partners, are 04:19

20 they -- well, can you give the Court an example or 04:19

21 examples of who the actual identity is of these 04:19

22 measurement partners? 04:19

23 MR. FALCONER: I'm going to object again 04:19

24 that this is outside the scope of the substance of 04:19

25 the topic. And then I want to make sure we're 04:19

1 limiting the time frame to what's been noticed as 04:19
2 well. 04:19
3 MR. KO: I think you made that clear, 04:19
4 Russ. And I said unless I specify otherwise, I am 04:19
5 talk about the time period 2012 through 2017. 04:19
6 Q. But go ahead and answer the question. 04:19
7 A. I -- 04:19
8 Q. Do you want me to repeat it or you got it? 04:19
9 A. No, no need. 04:19
10 I can't -- I -- I have some examples of 04:19
11 measurement partners that come to mind. Can't say 04:19
12 for certain if they were active in the 2012 to 2017 04:20
13 time period. But as an example, AppsFlyer is a 04:20
14 mobile measurement partner that supports app 04:20
15 advertisers in understanding the effectiveness of 04:20
16 their ads across different platforms. 04:20
17 Q. Does the entity AppNexus ring a bell to 04:20
18 you at all? 04:20
19 A. Yes. 04:20
20 Q. Are they a measurement partner? 04:20
21 A. I -- I'm not certain if they provide cross 04:20
22 publisher measurement capabilities. I am familiar 04:20
23 with them in the context of them being a partner 04:20
24 that we worked with when we offered Facebook 04:21
25 Exchange as a product on our platform that 04:21

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1 convenience. 04:24

2 But with respect to the partners described 04:24

3 here, do you have an understanding of whether or not 04:24

4 these are measurement partners or data brokers or 04:24

5 both or some other type of partner? 04:24

6 MR. FALCONER: Objection. Outside the 04:24

7 scope of the notice. 04:24

8 THE WITNESS: The description in the first 04:24

9 sentence, "Those that help us measure the 04:24

10 effectiveness of ads," this, to me, refers to 04:24

11 measurement partners. 04:24

12 BY MR. KO: 04:24

13 Q. Okay. And again, outside of I believe you 04:24

14 said AppsFlyer, you don't have any other examples 04:24

15 or -- any other examples of the identity of -- of 04:24

16 measurement partners? 04:24

17 MR. FALCONER: Same objection. 04:25

18 THE WITNESS: I think there was a company 04:25

19 likely operating in this time frame called Aggregate 04:25

20 Knowledge that focused more on web measurement, 04:25

21 cross publisher web measurement. That was another 04:25

22 example. I can't remember offhand any additional 04:25

23 examples right now. 04:25

24 BY MR. KO: 04:25

25 Q. Okay. So Facebook provides information to 04:25

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1 topic for the deposition today on the monetization 04:26
2 or valuation of user data, let's get to it. 04:26
3 Otherwise I'm going to instruct the witness not to 04:26
4 answer to enforce the limitation that Judge Corley 04:26
5 put on this deposition. 04:26

6 So, Ms. Lee, you can go ahead and answer, 04:27
7 but, Mr. Ko, I would just ask that if there is a 04:27
8 connection to the topic that's noticed for today, 04:27
9 let's please get to it sooner rather than later. 04:27

10 MR. KO: There certainly is, and we only 04:27
11 have less than an hour anyway. So I'll get there. 04:27
12 For the record, I'm there right now. But I'll show 04:27
13 you in a moment. 04:27

14 MS. WEAVER: I would just say -- this is 04:27
15 Lesley -- that the person you put up yesterday said 04:27
16 he didn't know what a data broker was. So the 04:27
17 questioning was curtailed on that topic. 04:27

18 BY MR. KO: 04:27

19 Q. So, Amy, thank you for the lawyers -- 04:27
20 allowing the lawyers to be lawyers. Do you remember 04:27
21 the question that was asked of you and can you 04:27
22 answer it? 04:27

23 A. Can you repeat the last question? 04:27

24 Q. Yeah. I asked, in addition to the 04:27
25 information about ads that users saw, are you aware 04:27

1 of any other information about Facebook users that 04:27
2 were made available to these measurement partners? 04:27

3 A. I understand that we may have also shared 04:28
4 information about how users engaged with the ads 04:28
5 that they were shown. For example, ads that they 04:28
6 clicked on. 04:28

7 Q. Okay. Is that all you can think of? 04:28

8 A. Yes. And I should clarify that we would 04:28
9 only share information about people who saw a 04:28
10 specific advertiser's ads. 04:28

11 So if one of these measurement partners is 04:28
12 working on behalf of Procter & Gamble, we would only 04:28
13 return sort of anonymized information about how -- 04:28
14 who -- who saw Procter & Gamble's ads and what -- 04:28
15 you know, who clicked on Procter & Gamble's ads. 04:29

16 So no sensitive or personally identifiable 04:29
17 information about the people who saw or engaged with 04:29
18 these ads would -- would be shared with the 04:29
19 measurement partner. 04:29

20 Q. And just so the record is clear, your 04:29
21 testimony is that the measurement partner is 04:29
22 distinct from a data broker; is that correct? 04:29

23 MR. FALCONER: Same objection. 04:29

24 THE WITNESS: Yes, I -- I understand them 04:29
25 to serve just different purposes in the advertising 04:29

1 ecosystem. 04:29

2 BY MR. KO: 04:29

3 Q. And what -- so, obviously, the measurement 04:29

4 partners help Facebook measure the effectiveness of 04:29

5 their ads. What do you understand in Facebook's 04:29

6 ecosystem that data brokers do? 04:29

7 MR. FALCONER: Same objection. 04:29

8 THE WITNESS: Of the examples that I had 04:30

9 shared earlier, my understanding is part of their 04:30

10 revenue comes from their ability to provide 04:30

11 information on users to advertisers to improve the 04:30

12 effectiveness of their marketing campaigns. 04:30

13 BY MR. KO: 04:30

14 Q. So the data brokers are providing 04:30

15 information directly to advertisers and not to 04:30

16 Facebook, or both? 04:30

17 MR. FALCONER: Same objections. 04:30

18 THE WITNESS: Generally speaking -- well, 04:30

19 I mean, it -- how I interpret that term is that they 04:30

20 are generating revenue by sharing or providing that 04:30

21 information about users to different parties. They 04:30

22 could include Facebook. They could include 04:30

23 advertising platforms. I'm sorry. They could 04:31

24 include advertisers and they could include 04:31

25 advertising platforms. 04:31

1 BY MR. KO: 04:31

2 Q. Do you yourself, in your experience at 04:31

3 Facebook, have you worked with any data brokers? 04:31

4 MR. FALCONER: Same objection. 04:31

5 THE WITNESS: I can't recall specific 04:31

6 examples where I worked directly with any of these 04:31

7 companies. 04:31

8 BY MR. KO: 04:31

9 Q. Do you know who at Facebook or what groups 04:31

10 at Facebook are primarily responsible for managing 04:31

11 the relationship or coordinating with data brokers? 04:31

12 MR. FALCONER: Same objection. 04:31

13 THE WITNESS: We used to have a 04:31

14 partnerships team who managed the relationship with 04:31

15 some of these companies. 04:31

16 BY MR. KO: 04:31

17 Q. And that team no longer exists -- or 04:31

18 excuse me, that team no longer manages that 04:32

19 relationship or does it no longer exist? 04:32

20 MR. FALCONER: Same objection. 04:32

21 THE WITNESS: I -- I'm not sure if we 04:32

22 still today have a relationship with these 04:32

23 companies. 04:32

24 BY MR. KO: 04:32

25 Q. From the 2012 through 2017 time period, 04:32

1 did you understand it to be the case that Facebook 04:32

2 had a relationship with data brokers? 04:32

3 A. Yes. 04:32

4 Q. Go into the Exhibit Share file and pull 04:32

5 up -- we're going to skip an exhibit. I might get 04:32

6 back to the one we skipped. I went ahead and marked 04:32

7 Facebook 12. 04:32

8 (Exhibit 12 was marked for 04:32

9 identification and attached 04:32

10 hereto.) 04:32

11 BY MR. KO: 04:32

12 Q. Do you see that and can you pull that up, 04:32

13 please? 04:32

14 A. Yes, I have it open. 04:33

15 MR. KO: Okay. And for the record, this 04:33

16 is [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED] 04:33

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1

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:35

12

MR. FALCONER: Objection. Outside the

04:36

13

scope of the topic.

04:36

14

But go ahead.

04:36

15

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:36

© 2006 The Authors

[REDACTED] [REDACTED]

10

1

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:38

8

MR. FALCONER: Objection. Again, this --

04:38

9

obviously, this email is outside the time period for

04:38

10

the deposition, so the witness is not prepared or

04:38

11

authorized to speak on behalf of the company from --

04:38

12

on a chat from 2018.

04:38

13

But she can answer based on personal

04:38

14

knowledge if she has any.

04:38

15

MR. KO: Right, which is why I'm saying we

04:38

16

want to discuss the concepts discussed here.

04:38

17

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:39

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

1

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

04:39

7

MR. FALCONER: Same objection as before.

04:39

8

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

20

MR. FALCONER: Objection. Outside the

04:40

21

scope of the notice.

04:40

22

Go ahead.

04:40

23

[REDACTED]

[REDACTED]

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1

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

14

MR. FALCONER: Same objection.

04:41

15

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

20

MR. FALCONER: Objection to form and

04:41

21

object to being outside the scope of the notice.

04:41

22

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

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10

MR. FALCONER: Objection. Outside the

04:42

11

scope of the notice.

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12

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

21

MR. FALCONER: Same objection.

04:43

22

[REDACTED]

[REDACTED]

[REDACTED]

1 BY MR. KO: 04:44

2 [REDACTED] [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 MR. FALCONER: Same objection. 04:44

6 [REDACTED] [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED] [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 MR. FALCONER: Objection. Beyond the 04:44

14 scope of the topic in the notice. 04:44

15 [REDACTED] [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED] [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 MR. FALCONER: Same objection. 04:45

22 [REDACTED] [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

1 BY MR. KO:

04:45

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MR. FALCONER: Objection. Outside the

scope.

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MR. FALCONER: Objection. Outside the

scope.

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04:47

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[REDACTED]

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[REDACTED]

12

MR. FALCONER: Objection. Outside the

04:49

13

scope of the topic.

04:49

14

[REDACTED]

16

BY MR. KO:

04:49

17

Q. Yeah, go ahead. That's -- that's fair.

04:49

18

(Pause while witness peruses document.)

04:49

19

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

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[REDACTED]

[REDACTED]

[REDACTED]

MR. FALCONER: Same objection.

04:53

Go ahead.

04:53

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

[REDACTED]

1 BY MR. KO: 04:54

2 [REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

6 MR. FALCONER: Same objection. 04:54

7 [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

18 MR. FALCONER: Objection. Beyond the 04:55

19 scope of the topic. 04:55

20 [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

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[REDACTED] [REDACTED]

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HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

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[REDACTED] [REDACTED] [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

15

MR. FALCONER: Same objection.

04:56

16

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

1 MR. FALCONER: Same objection. 04:57

2 [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

13 MR. FALCONER: Objection. Beyond the 04:57

14 scope of the topic. 04:57

15 [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

1

[REDACTED]

22

MR. FALCONER: Objection. Form.

04:59

23

[REDACTED]

Veritext Legal Solutions
866 299-5127

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Veritext Legal Solutions
866 299-5127

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[REDACTED]

[REDACTED]

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[REDACTED]

10

MR. FALCONER: Objection. Beyond the

11

scope of the deposition both as to time period and

12

as to topic. Objection to form as well.

13

Go ahead.

14

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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25

MR. FALCONER: Same objection.

05:05

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

1 BY MR. KO:

05:05

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MR. FALCONER: Same objections.

05:06

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[REDACTED]

[REDACTED]

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21

MR. FALCONER: Objection to form and

05:10

22

objection to outside the scope of the topic.

05:10

23

[REDACTED]

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[REDACTED]

9

MR. FALCONER: Objection. Same

05:10

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objections, both of them as before.

05:10

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14

MR. FALCONER: Object. Objection.

15

Misstates prior testimony and outside the scope of

16

the notice.

17

[REDACTED]

[REDACTED]

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05:12

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HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

1 MR. FALCONER: Objection. Vague. 05:14

2 [REDACTED] [REDACTED] [REDACTED]

3 [REDACTED] [REDACTED]

4 [REDACTED] [REDACTED] [REDACTED]

5 [REDACTED] [REDACTED]

6 [REDACTED] 05:15

7 MR. FALCONER: Objection. Outside the 05:15

8 scope of the notice. Objection to form. 05:15

9 [REDACTED] [REDACTED] [REDACTED]

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HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

1 [REDACTED] [REDACTED]

2 [REDACTED] 05:16

3 MR. FALCONER: Objection. Vague. 05:16

4 [REDACTED] [REDACTED] [REDACTED]

5 [REDACTED] [REDACTED]

6 [REDACTED] [REDACTED]

7 [REDACTED] [REDACTED] [REDACTED]

8 [REDACTED] 05:16

9 MR. FALCONER: Same objection. 05:16

10 [REDACTED] [REDACTED]

11 [REDACTED] [REDACTED] [REDACTED]

12 [REDACTED] 05:16

13 MR. FALCONER: Objection. Form. 05:16

14 [REDACTED] [REDACTED] [REDACTED]

15 [REDACTED] [REDACTED] [REDACTED]

16 [REDACTED] [REDACTED]

17 [REDACTED] [REDACTED]

18 [REDACTED] [REDACTED]

19 [REDACTED] [REDACTED]

20 [REDACTED] [REDACTED]

21 [REDACTED] [REDACTED]

22 [REDACTED] [REDACTED]

23 [REDACTED] [REDACTED]

24 [REDACTED] 05:17

25

1 BY MR. KO: 05:17

2 [REDACTED] [REDACTED]

3 [REDACTED] [REDACTED]

4 [REDACTED] 05:17

5 MR. FALCONER: Objection. Form. And, 05:17

6 objection, outside the scope of the notice. 05:17

7 [REDACTED] [REDACTED] [REDACTED]

8 [REDACTED] [REDACTED] [REDACTED]

9 [REDACTED] [REDACTED]

10 [REDACTED] [REDACTED]

11 [REDACTED] [REDACTED]

12 [REDACTED] [REDACTED]

13 [REDACTED] [REDACTED]

14 [REDACTED] [REDACTED]

15 [REDACTED] [REDACTED]

16 [REDACTED] [REDACTED]

17 [REDACTED] [REDACTED]

18 [REDACTED] [REDACTED]

19 [REDACTED] [REDACTED]

20 [REDACTED] [REDACTED]

21 [REDACTED] [REDACTED]

22 [REDACTED] [REDACTED]

23 [REDACTED] [REDACTED]

24 [REDACTED] [REDACTED]

25 [REDACTED] [REDACTED]

26 [REDACTED] [REDACTED]

27 [REDACTED] [REDACTED]

28 [REDACTED] [REDACTED]

29 [REDACTED] [REDACTED]

30 [REDACTED] [REDACTED]

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HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

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05:23

15

MR. FALCONER: Objection. Form.

05:23

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05:24

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[REDACTED]
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05.25

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05:25

1 and finish the remaining five. 05:25

2 MR. FALCONER: Do you want to just do 05:25

3 five? 05:25

4 MR. KO: Yeah. We'll make it -- we'll 05:25

5 make it short. 05:25

6 THE VIDEOGRAPHER: We are off the record 05:25

7 at 5:25 p.m. 05:25

8 MR. KO: Be back at 5:31. I promise. 05:25

9 (Recess.) 05:31

10 (Off record: 5:25 p.m.) 05:31

11 (On record: 5:32 p.m.) 05:31

12 THE VIDEOGRAPHER: We are on the record at 05:32

13 5:32 p.m. 05:32

14 BY MR. KO: 05:32

15 Q. Welcome back from the break, Amy, and 05:32

16 thank you for your patience today and working 05:32

17 through some of these questions. I just have a few 05:32

18 more questions and then you will be released from 05:32

19 your obligations for now. 05:32

20 Do you recall earlier when we were talking 05:32

21 about app advertisers that were also app developers? 05:32

22 A. Yes. 05:32

23 Q. Do you have an understanding at all of 05:32

24 whether or not app advertisers who are also 05:32

25 developers get access to user data through certain 05:32

1 capabilities or otherwise that other advertisers do 05:32
2 not? 05:32
3 MR. FALCONER: Objection. Outside the 05:32
4 scope of the notice. 05:32
5 THE WITNESS: App developers, to my 05:32
6 understanding, do not get any differential access to 05:33
7 user data just because they are advertisers. 05:33
8 BY MR. KO: 05:33
9 Q. But are there certain API capabilities 05:33
10 that an app developer has access to that an 05:33
11 advertiser does not? 05:33
12 MR. FALCONER: Same objection. 05:33
13 THE WITNESS: If your question is do app 05:33
14 advertisers get access to different API capabilities 05:33
15 than nonapp advertisers, the answer is yes, to my 05:33
16 understanding, because there are certain API 05:33
17 capabilities that are only relevant to app 05:33
18 advertisers. 05:33
19 BY MR. KO: 05:33
20 Q. And -- sorry. Go ahead. 05:33
21 A. But any -- any advertiser who chooses to 05:33
22 have an app and leverage those capabilities can 05:33
23 access the same features. 05:34
24 Q. And specifically as it relates to app 05:34
25 developers that are also advertisers, do those 05:34

1 developers also have access to certain API 05:34
2 capabilities that an advertiser that is not a 05:34
3 developer would have access to? 05:34
4 MR. FALCONER: Objection. Outside the 05:34
5 scope of the topic. 05:34
6 THE WITNESS: All app developers should 05:34
7 have access to the same developer API capabilities. 05:34
8 There are -- we also have a marketing API. This is 05:34
9 the API that supports our advertisers and ads 05:34
10 business. 05:34
11 If the app developer is not an advertiser, 05:34
12 they would -- they could in theory have access to 05:34
13 the marketing API, but they wouldn't be using it 05:35
14 unless they were also advertising. 05:35
15 BY MR. KO: 05:35
16 Q. Understood. Thank you. 05:35
17 You mentioned at the very beginning of 05:35
18 this deposition, or at least very early on, that one 05:35
19 of the ways you prepared for your deposition was to 05:35
20 communicate via chats through the Facebook Workplace 05:35
21 Chat function with other Facebook employees, 05:35
22 correct? 05:35
23 A. Yes. 05:35
24 Q. And did you rely on that information that 05:35
25 you learned in those chats when testifying today? 05:35

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1 Q. So in more concrete terms, would Facebook 05:37
2 have made available to any measurement partner the 05:38
3 identity of a specific Facebook user who engaged 05:38
4 with an ad on the platform? 05:38

5 MR. KO: Object to the form. 05:38

6 THE WITNESS: The question was would 05:38
7 Facebook have revealed the identity of a user who 05:38
8 had engaged with a specific ad? No, we would not 05:38
9 have shared any information about a specific user's 05:38
10 identity. 05:38

11 BY MR. FALCONER: 05:38

12 Q. And would Facebook have made available to 05:38
13 a measurement partner any content that a user posted 05:38
14 to the platform if that user engaged with an ad on 05:38
15 the platform? 05:38

16 A. No. 05:38

17 MR. FALCONER: Okay. Thank you. That's 05:38
18 all I have. 05:38

19 MR. KO: I just have one follow-up or a 05:38
20 couple follow-ups to that if you don't mind. 05:38

21 FURTHER EXAMINATION 05:38

22 BY MR. KO: 05:38

23 Q. What is your -- what is the basis for the 05:38
24 answers that you just provided to Mr. Falconer? Is 05:38
25 it on your general knowledge? 05:39

1 A. Yes, it is my general knowledge as well as 05:39
2 the fact that when we provide data back to 05:39
3 measurement partners and when we have provided data 05:39
4 back to measurement partners, historically it's been 05:39
5 for the purposes -- for the purpose of enabling 05:39
6 these measurement partners to conduct cross 05:39
7 publisher measurement and measurement generally on 05:39
8 behalf of their advertising clients. 05:39

9 So personally identifiable information is 05:39
10 not necessary to do that, so we wouldn't have 05:39
11 provided it actively. 05:39

12 As well, we care very much about the 05:39
13 security and safety of our users' information, so we 05:39
14 would not -- we don't share PII to ads partners for 05:39
15 reasons like these. 05:40

16 Q. Did you discuss these questions at all 05:40
17 with Mr. Falconer during any break during this 05:40
18 deposition today? 05:40

19 MR. FALCONER: Objection. I'm going to 05:40
20 instruct you not to answer any questions about 05:40
21 conversations you had with counsel. 05:40

22 MR. KO: Well, for purposes -- obviously, 05:40
23 I'm entitled to understand whether or not this 05:40
24 witness was coached. 05:40

25 Q. Can you explain to me whether or not you 05:40

1 had a conversation -- without divulging the contents 05:40
2 of the conversation, can you describe to me whether 05:40
3 or not you had a conversation with Mr. Falconer 05:40
4 about your testimony and what questions you might 05:40
5 expect to answer from him? 05:40

6 MR. FALCONER: Again, I'm going to 05:40
7 instruct the witness not to answer on privilege 05:40
8 grounds any questions about anything she discussed 05:40
9 with her lawyers today. 05:40

10 BY MR. KO: 05:40

11 Q. And I'm not asking you to divulge the 05:40
12 contents of the conversation. I'm just asking you 05:40
13 whether or not you actually had a conversation with 05:40
14 Mr. Falconer about your testimony today and what 05:40
15 questions he might ask. 05:40

16 MR. FALCONER: Again, same instruction. 05:40
17 On privilege grounds, the witness is not going to 05:40
18 answer questions about anything she talked about 05:41
19 with us today. 05:41

20 MR. KO: Russ, did you coach the witness 05:41
21 during that break? 05:41

22 MR. FALCONER: I'm also not going to 05:41
23 reveal anything that I talked about with my client 05:41
24 today. 05:41

25 MR. KO: We'll reserve the right to seek 05:41

1 appropriate relief on that. 05:41

2 Q. Going back to the substance of the 05:41

3 back-and-forth questions and answers on measurement 05:41

4 partners, just so we're clear, measurement partners 05:41

5 are distinct from data partners or data brokers, 05:41

6 correct? 05:41

7 A. I would say they serve different purposes 05:41

8 for the advertisers and their -- their -- the reason 05:41

9 Facebook has a relationship with these partners is 05:41

10 groups of partners is different. 05:41

11 But there are a handful -- during the time 05:41

12 period in question, 2012 to 2017, there may have 05:41

13 been certain partners who were both data partners 05:41

14 that Facebook partnered with as well as -- at the 05:42

15 same time as they were measurement partners. 05:42

16 Q. Okay. And which entities were those? 05:42

17 A. I don't know which entities those would 05:42

18 [REDACTED] 05:42

[REDACTED] 05:42

[REDACTED] 05:42

[REDACTED] 05:42

[REDACTED] 05:42

[REDACTED] 05:42

[REDACTED] 05:42

[REDACTED] 05:42

1 Q. So just to be clear, those are -- your 05:42
2 testimony today is that the data partners or data 05:43
3 brokers described there are synonymous with 05:43
4 measurement partners? 05:43

5 MR. FALCONER: Objection. Form. 05:43
6 BY MR. KO: 05:43

7 Q. Are they distinct? 05:43

8 A. I would say that those three companies 05:43
9 were both data partners that Facebook had a 05:43
10 relationship for purposes of partner categories, and 05:43
11 also we had a relationship with them based on their 05:43
12 measurement partner capabilities they supplied to 05:43
13 advertisers. 05:43

14 Q. And I noticed when you said that -- in 05:43
15 response to the question of whether or not this 05:43
16 information that was made available to measurement 05:43
17 partners was anonymized, you said it should have 05:43
18 been. Do you recall that? 05:43

19 A. Yes. 05:43

20 Q. And then when you said whether or not this 05:43
21 information that -- whether or not this information 05:43
22 reflected or included personally identifiable 05:43
23 information about a Facebook user, you said it 05:43
24 should have been, correct? 05:44

25 A. Yes. 05:44

1 Q. Do you know that to be unequivocally the 05:44
2 case that it was, or you're just saying the policy 05:44
3 was that it should have been? 05:44

4 A. Sorry. The last thing that you -- the 05:44
5 last statement that you mentioned, can you repeat 05:44
6 that? I said yes to something I didn't mean to say 05:44
7 yes to. 05:44

8 Q. Sure. Are you talking about the PII? 05:44

9 A. Yes, just the last statement, if you could 05:44
10 repeat it. 05:44

11 Q. Okay. I was just -- I was just asking, do 05:44
12 you recall the testimony you gave in response to 05:44
13 your counsel's question with respect to PII being 05:44
14 delivered to a measurement partner? 05:44

15 You said that it -- it should have been 05:44
16 the case that there was not PII delivered to the 05:44
17 measurement partner; is that correct? 05:44

18 A. Yes. 05:44

19 Q. And you said it should have been. 05:44

20 And my follow-up question to that is, do 05:44
21 you know whether or not that was unequivocally the 05:44
22 case? 05:44

23 A. I -- I -- I do not know whether that was 05:44
24 unequivocal -- unequivocally the case, but given my 05:45
25 understanding of why we supplied data to these 05:45

1 measurement partners in the first place, and given 05:45
2 the fact that we do not share PII with 05:45
3 individuals -- with external advertising partners 05:45
4 for -- for -- for reasons like this, yeah, it -- 05:45
5 it -- I cannot imagine a scenario where we would 05:45
6 have shared this data. 05:45

7 [REDACTED] [REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] 05:46

15 MR. FALCONER: Objection. Form. 05:46

16 [REDACTED] [REDACTED] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] 05:47

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

1 MR. FALCONER: Objection. Form. 05:47

2 (Pause while witness peruses document.) 05:47

3 [REDACTED] [REDACTED] [REDACTED]

4 [REDACTED] [REDACTED]

5 [REDACTED] [REDACTED]

6 [REDACTED] [REDACTED]

7 [REDACTED] [REDACTED]

8 [REDACTED] [REDACTED]

9 [REDACTED] [REDACTED]

10 [REDACTED] [REDACTED]

11 [REDACTED] [REDACTED] 05:48

12 Q. Okay. By the way, what's your 05:48

13 understanding of what PII consists of? 05:48

14 A. It stands for personally identifiable 05:48

15 information. So it could include things like name, 05:48

16 email address, phone number, mailing -- a physical 05:48

17 address, things that could be associated with the 05:48

18 person's real identity. 05:48

19 Q. All right. 05:48

20 MR. KO: And that's -- unless Mr. Falconer 05:48

21 has any further questions, that's it for me. So 05:48

22 thank you for your time, Amy. 05:48

23 THE WITNESS: Thank you. 05:48

24 MR. FALCONER: Nothing here. Thank you. 05:48

25 And we'd like to mark the transcript for 05:48

Page 224

1 today highly confidential. 05:48

2 THE VIDEOGRAPHER: We are off the record 05:48

3 at 5:48 p.m. This concludes today's testimony given 05:48

4 my Amy Lee. The total number of media units used 05:48

5 was five and will be retained by Veritext Legal 05:49

6 Solutions. 05:49

7 (At the time of 5:48 p.m. the deposition 05:49

8 was concluded.)

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CERTIFICATE OF REPORTER

I, ASHALA TYLOR, CSR No. 2436, in and for the State of California, do hereby certify:

That the foregoing proceedings were taken before me at the time and place herein set forth; that any witnesses in the foregoing proceedings, prior to testifying, were placed under oath; that a verbatim record of the proceedings were made by me using machine shorthand which was thereafter transcribed under my direction; further that the foregoing is an accurate transcription thereof.

That before the completion of the deposition, review of the transcript was not requested.

I further certify that I am neither financially interested in this action nor a relative or employee of any attorney or any of the parties hereto.

In compliance with Section 8016 of the Business and Professions Code, I certify under penalty of perjury that I am a Certified Shorthand Reporter with California License No. 2436 in full force and effect. WITNESS my hand this 27th day of February, 2021.



Ashala Tylor, CSR #2436, RPR, CRR, CLR

ERRATA SHEET

REGARDING THE DEPOSITION OF: AMY LEE

TAKEN ON: FEBRUARY 24, 2021

IN THE MATTER OF: IN RE: FACEBOOK, INC. CONSUMER PRIVACY USER PROFILE LITIGATION

DOCKET NO.: 3:18-MD-02843-VC

IN: U.S. DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

BEGINNING: 11:08 AM

ENDING: 5:48 PM

REPORTED BY: Ashala Tylor, CSR #2436, CLR, CRR, RPR

JOB NO.: 4473156

INSTRUCTIONS FOR READING/CORRECTING YOUR DEPOSITION

To assist you in making corrections to your deposition testimony, please Follow the directions below. If additional pages are necessary, please furnish Them and attach the pages to the back of the errata sheet.

This is the final version of your deposition transcript.

Please read it carefully. If you find any errors or changes you wish to make, Insert the corrections on the errata sheet beside the page and line numbers.

If you are in possession of the original transcript, do NOT make any changes directly on the transcript.

Do NOT change any of the questions.

After completing your review, please sign the last page of the errata sheet, Above the designated "Signature" line and return the transcript to your attorney.

ERRATA SHEET

Page	Line	
<u>15</u>	<u>6</u>	Change: "Margaret Wrenn" should be "Margaret Ren"
		Reason: Transcription Error
<u>18</u>	<u>2</u>	Change: "Margaret Wrenn" should be "Margaret Ren"
		Reason: Transcription Error
<u>18</u>	<u>11</u>	Change: "getting her contacts" should be "getting her context"
		Reason: Transcription Error

<u>28</u>	<u>23</u>	Change:	"test those ads product" should be "test those ads products"
		Reason:	Transcription Error
<u>35</u>	<u>1</u>	Change:	"experience in understanding" should be "experience and understanding"
		Reason:	Transcription Error
<u>37</u>	<u>18</u>	Change:	"we like for" should be "we'd like for"
		Reason:	Transcription Error
<u>47</u>	<u>6</u>	Change:	"it's a set of ad products" should be "there's a set of ad products"
		Reason:	Transcription Error
<u>48</u>	<u>14</u>	Change:	"estimated auction rate" should be "estimated action rate"
		Reason:	Transcription Error
<u>56</u>	<u>18</u>	Change:	"So include" should be "So it includes"
		Reason:	Transcription Error
<u>56</u>	<u>22</u>	Change:	"other" should be "another"
		Reason:	Transcription Error
<u>65</u>	<u>7</u>	Change:	"revenue is quite" should be "revenue as quite"
		Reason:	Transcription Error
<u>66</u>	<u>18</u>	Change:	"to check that" should be "to track that"
		Reason:	Transcription Error
<u>68</u>	<u>7</u>	Change:	"finance team" should be "growth team"
		Reason:	To Correct The Record
<u>86</u>	<u>18</u>	Change:	"but -- so that we tracked" should be "but know that we tracked"
		Reason:	Transcription Error
<u>122</u>	<u>25</u>	Change:	"it's a reference" should be "it's a reference to"
		Reason:	Transcription Error
<u>124</u>	<u>9</u>	Change:	"where I believe happened" should be "where I believe that happened"
		Reason:	Transcription Error
<u>140</u>	<u>7</u>	Change:	"putting ad spin behind" should be "putting ad spend behind"
		Reason:	Transcription Error

[illegible]

____ Change: _____

Reason: _____

____ Change: _____

Reason: _____

Subject to the above changes, I certify that the transcript is true and correct.

No changes have been made. I certify that the transcript is true and correct.

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line.

April 28, 2021

(signature)

(date)

GIBSON DUNN

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Dallas, TX 75201-2911
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March 5, 2021

VIA ELECTRONIC MAIL

Lesley Weaver
Bleichmar Fonti & Auld LLP
555 12th Street
Suite 1600
Oakland, CA 94607

Derek W. Loeser
David Ko
Keller Rohrbach LLP
1201 Third Avenue
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Seattle, WA 98101

Re: *In re Facebook, Inc. Consumer Privacy User Profile Litigation* (N.D. Cal.), Case No. 3:18-md-02843-VC

Dear Counsel:

Under Section 4(A) of the Stipulation and Order Re Clawback and Privileged Document Pursuant to Fed. R. Evid. 502(D) & (E) entered in the above-referenced matter (ECF 422), defendant Facebook, Inc. hereby provides a Clawback Notice for the testimony that appears at the following portions of the transcript of the February 24, 2021 deposition of Amy Lee in her capacity as Facebook's 30(b)(6) designee on the topic of how Facebook monetizes—directly or indirectly—and thus values user data (the “Inadvertently Provided Testimony”):

- 21:18–21
- 22:2–3

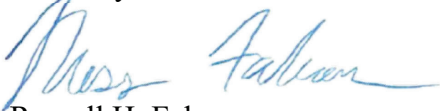
The “Inadvertently Provided Testimony” reflects attorney-client privileged information and was inadvertently provided by the witness.

Replacement copies of the relevant pages of the deposition transcript, with the privileged material redacted, are attached to this letter. Facebook requests that Plaintiffs (i) sequester the Inadvertently Provided Testimony, all copies thereof, and any notes that reproduce, copy, or otherwise disclose the substance of the Inadvertently Provided Testimony; (ii) refrain from making any use of the Inadvertently Provided Testimony; and (iii) within fifteen calendar days return and/or certify destruction of the Inadvertently Provided Testimony, all copies thereof, and any notes that reproduce, copy, or otherwise disclose the substance of the Inadvertently Provided Testimony, and certify in writing to that fact.

GIBSON DUNN

Lesley Weaver
March 5, 2021
Page 2

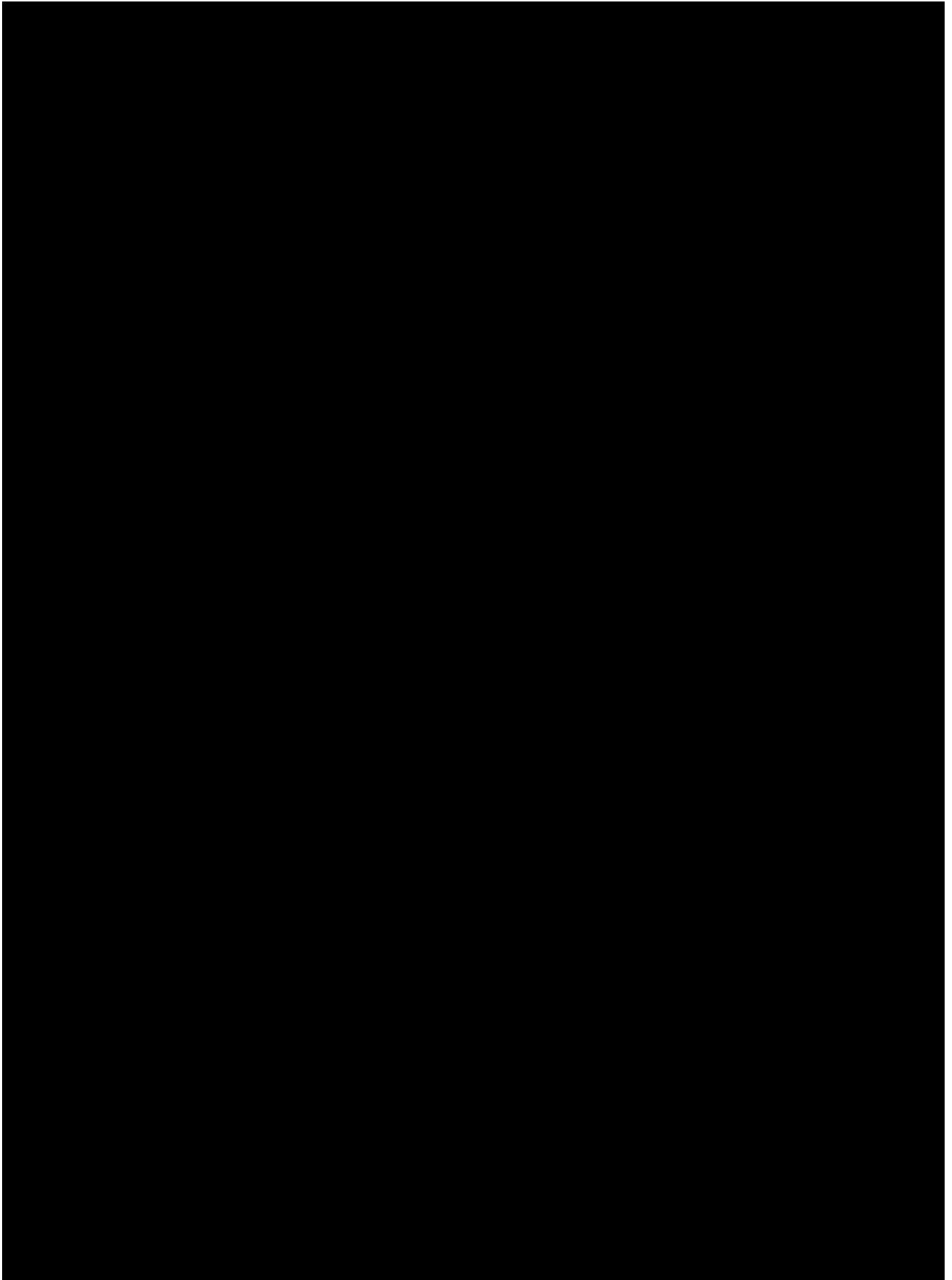
Sincerely,

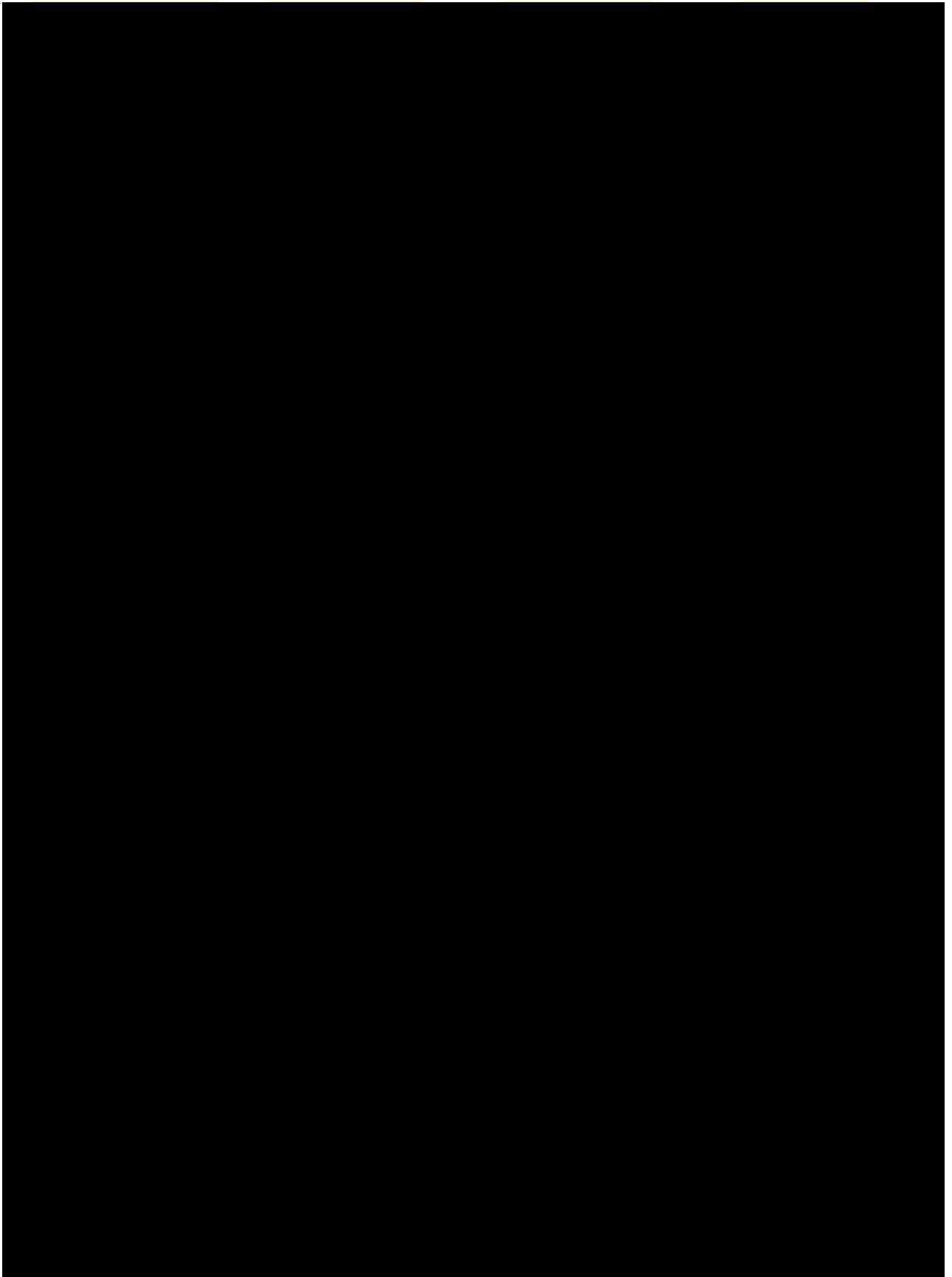
A handwritten signature in blue ink, appearing to read "Russ H. Falconer", written in a cursive style.

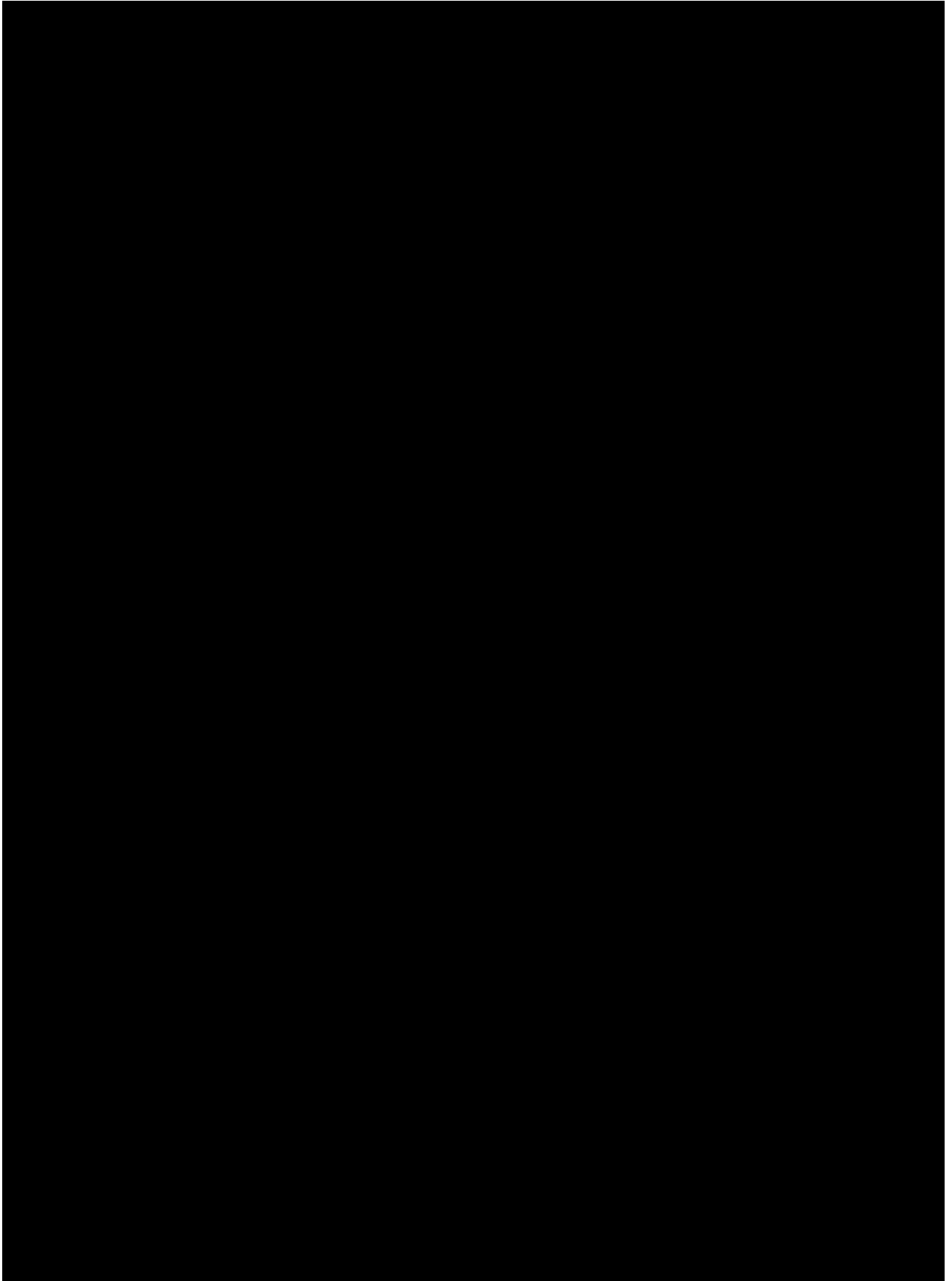
Russell H. Falconer

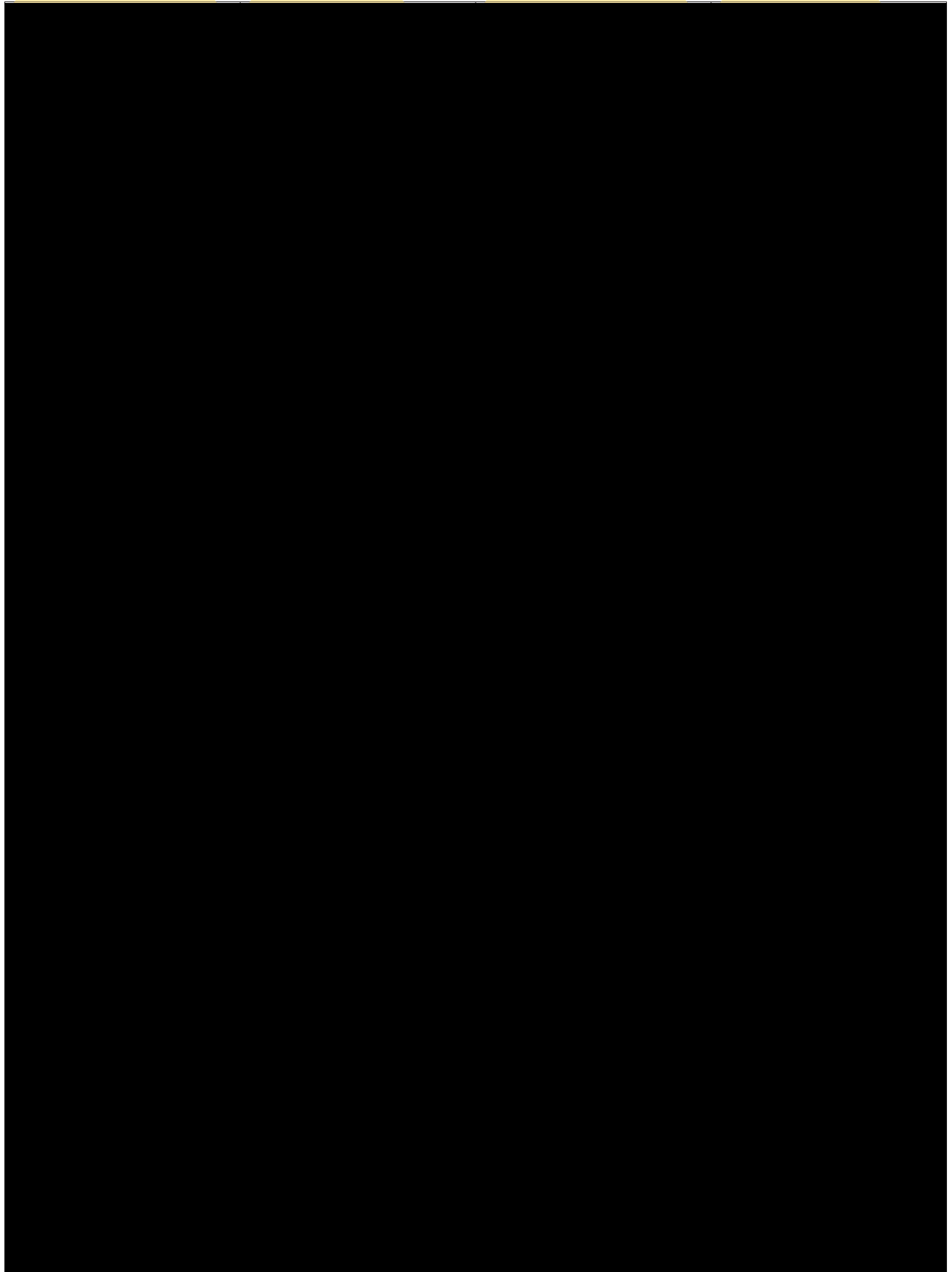
RHF/sg

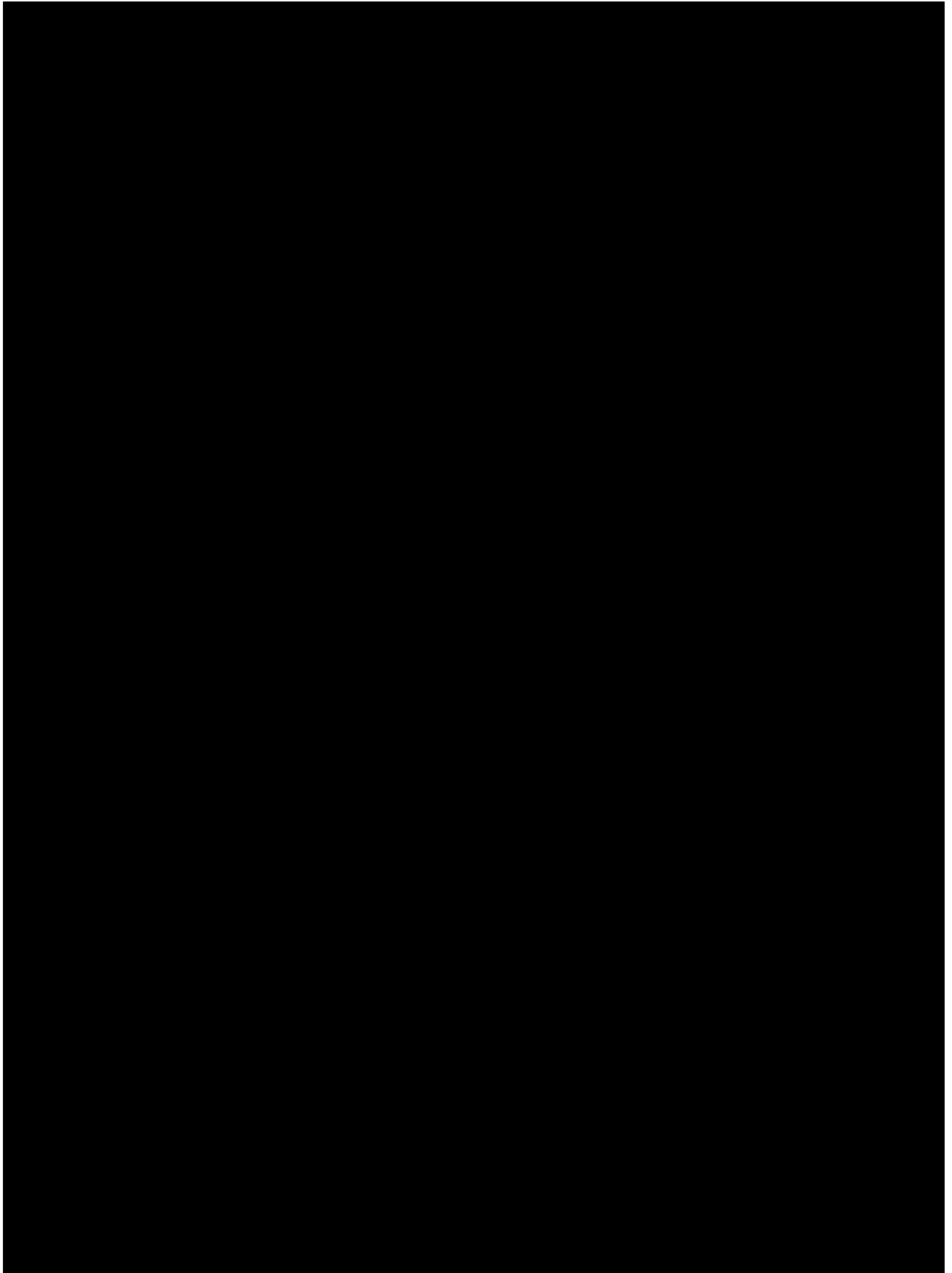
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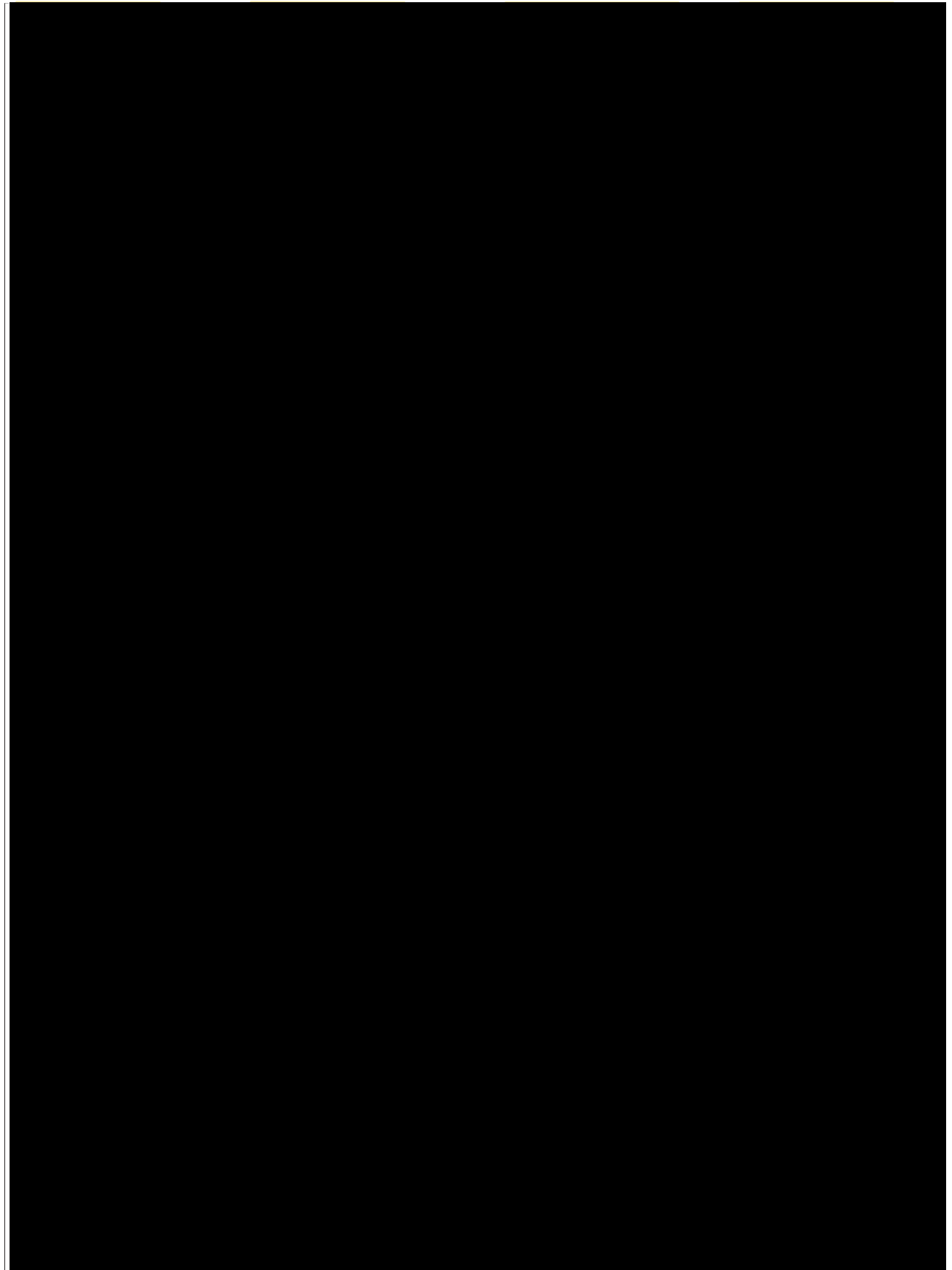
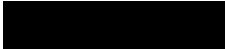


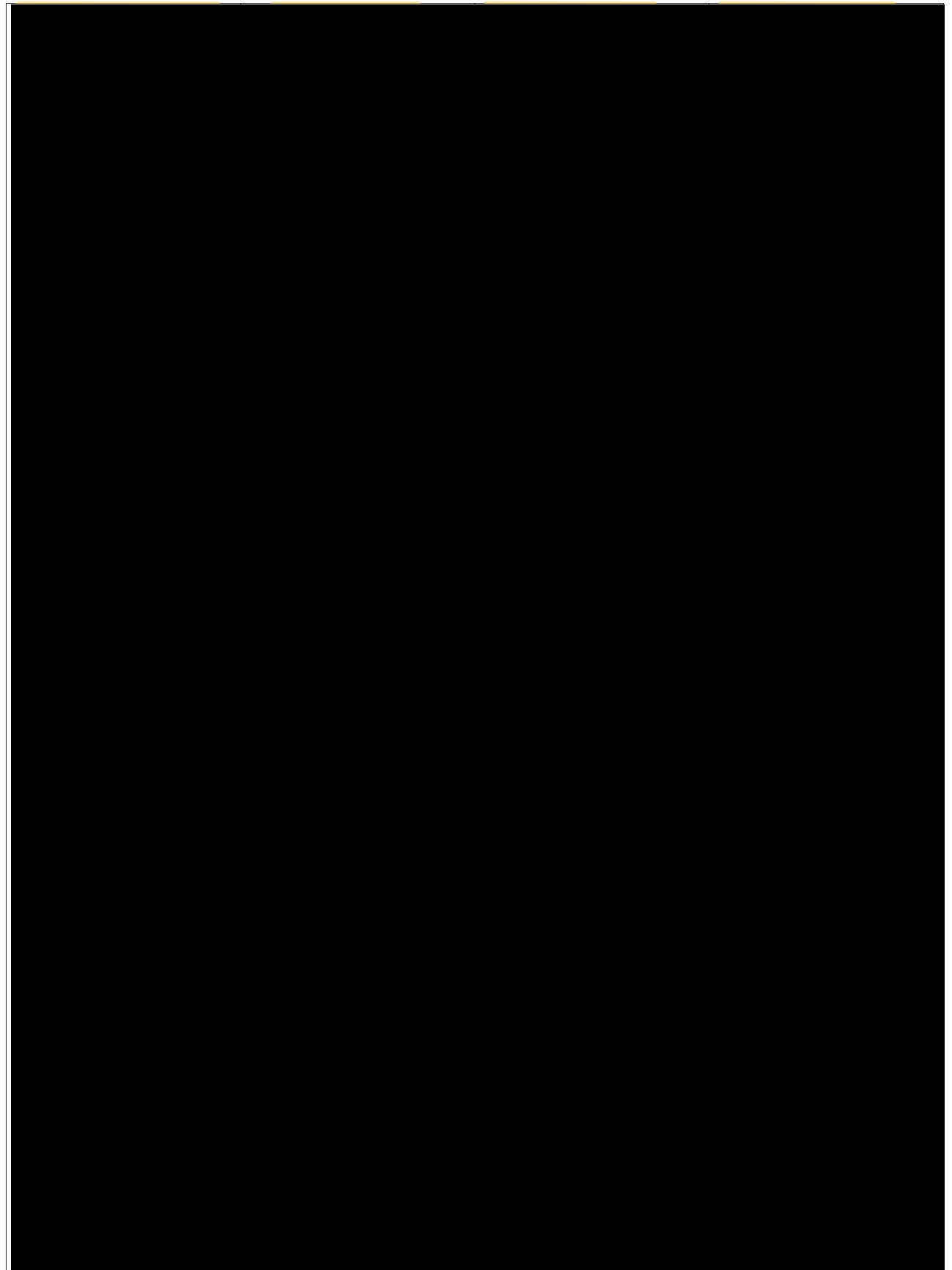


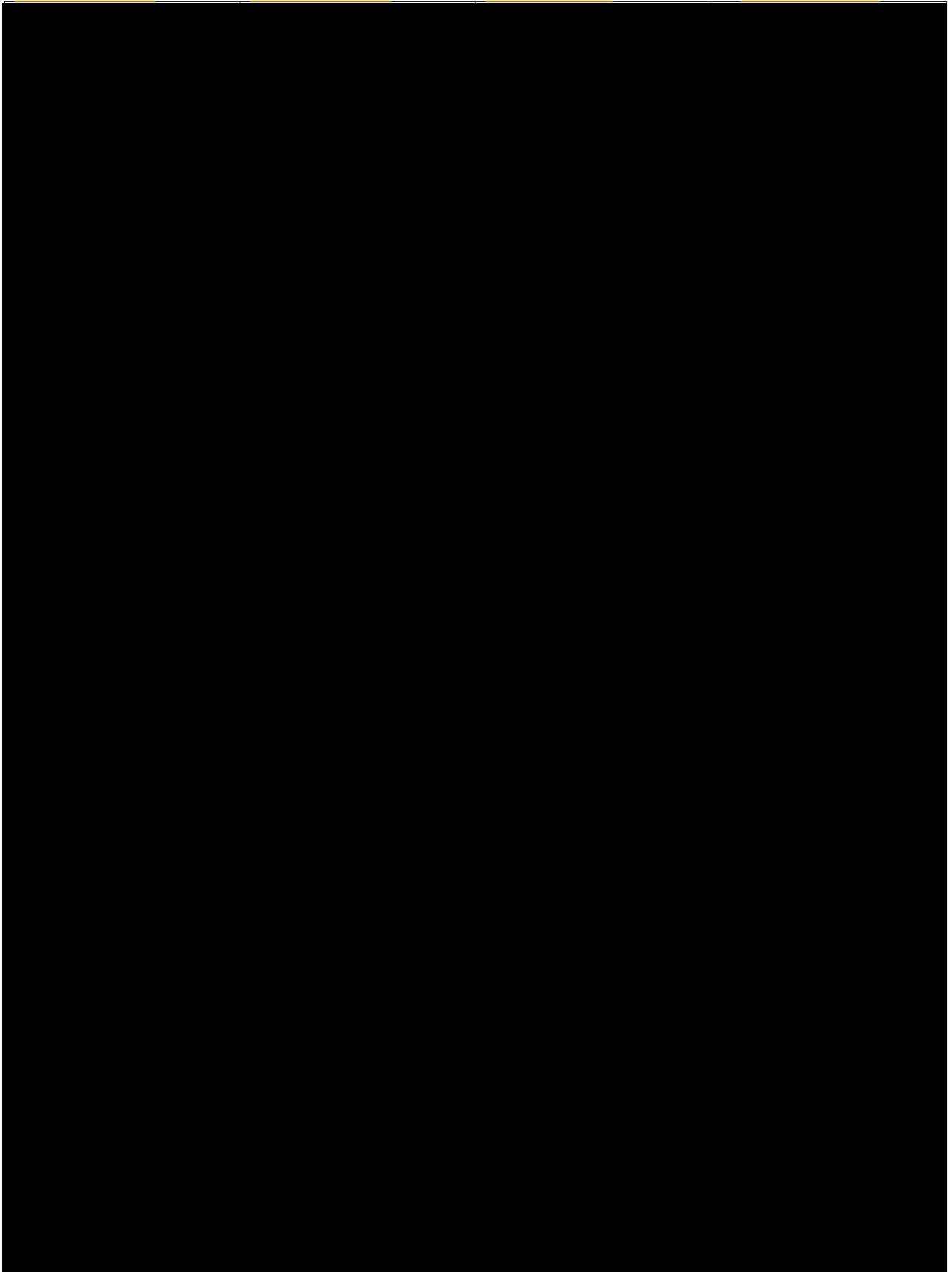


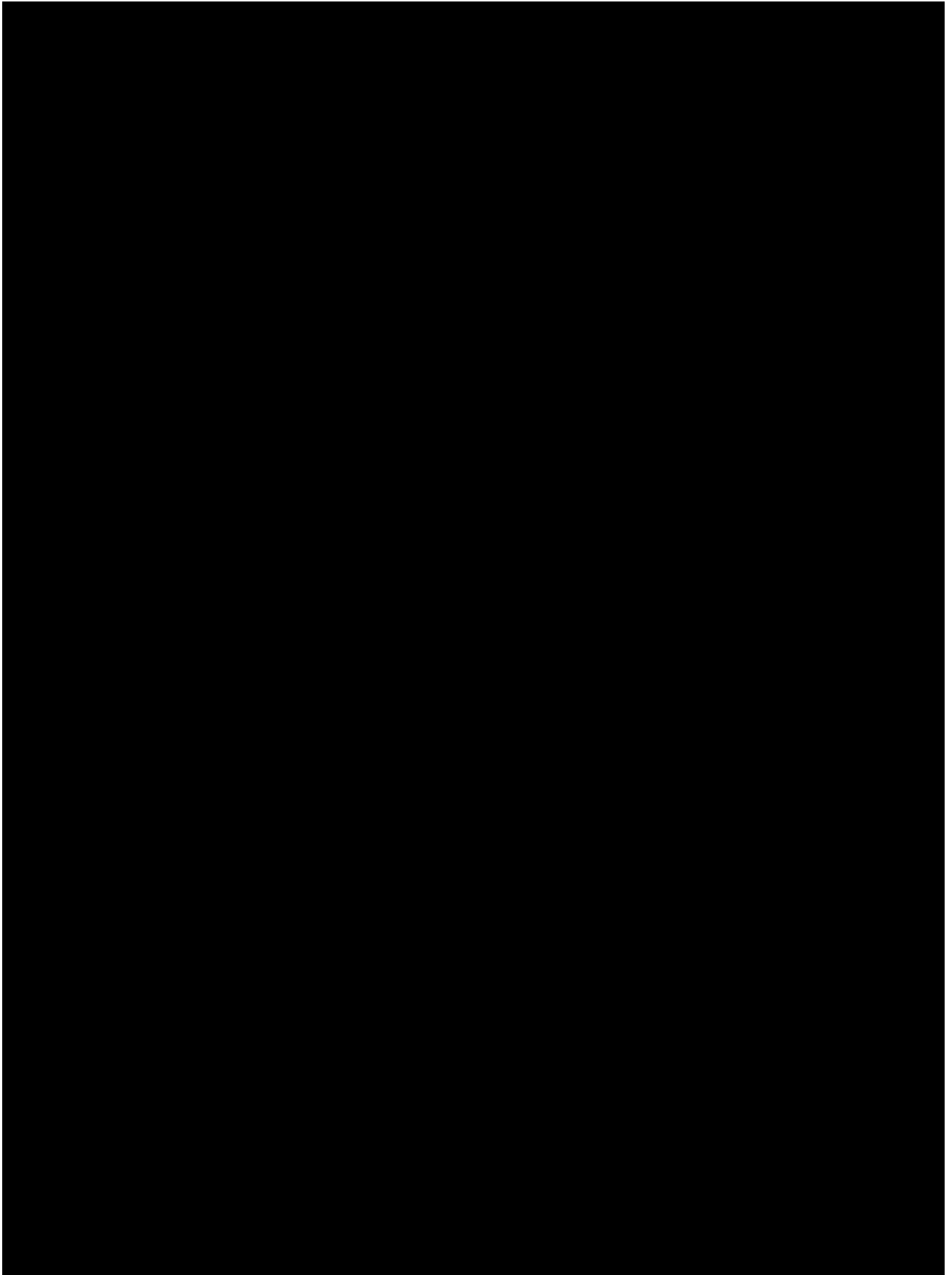
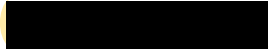


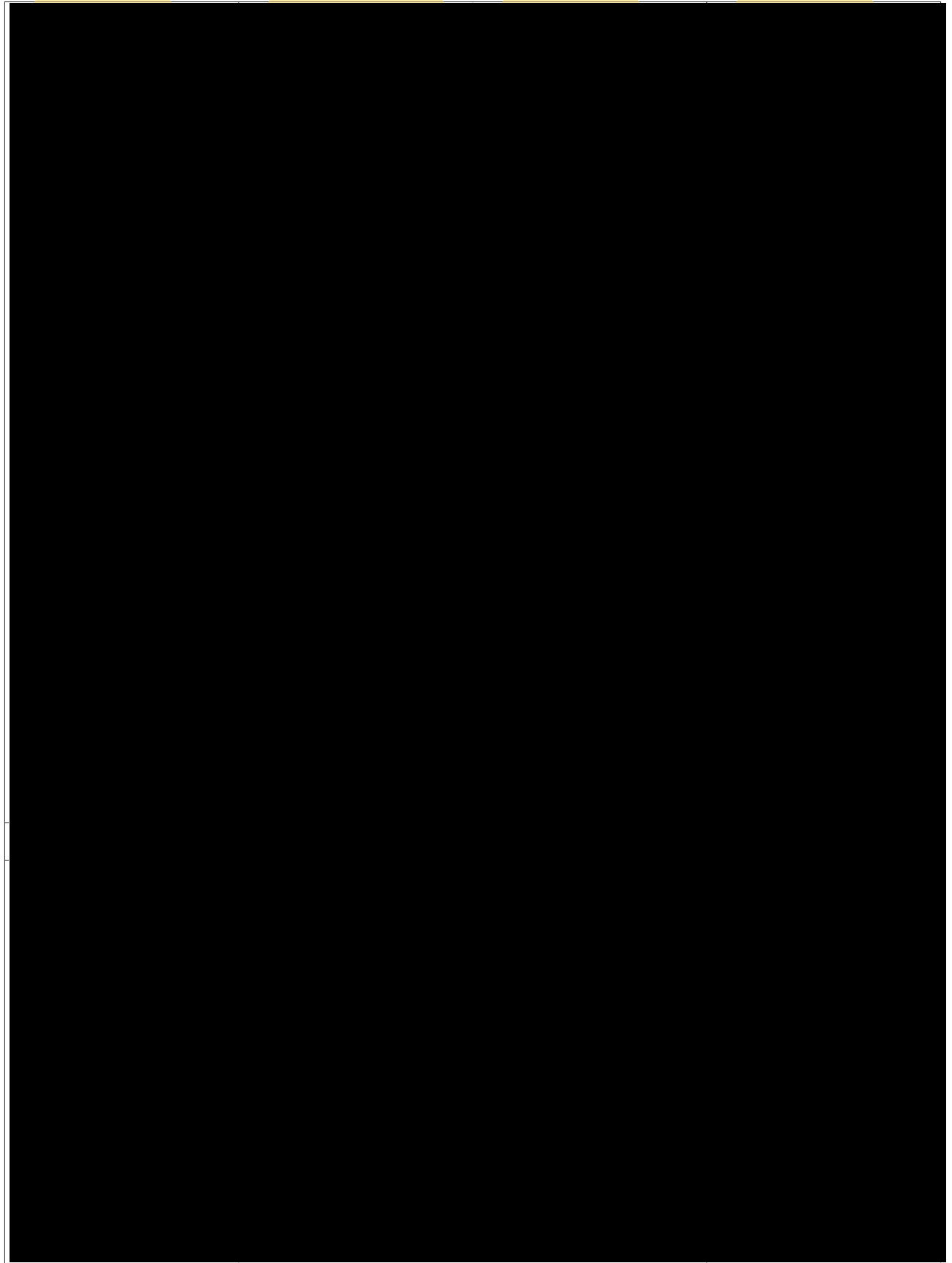
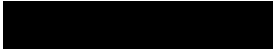






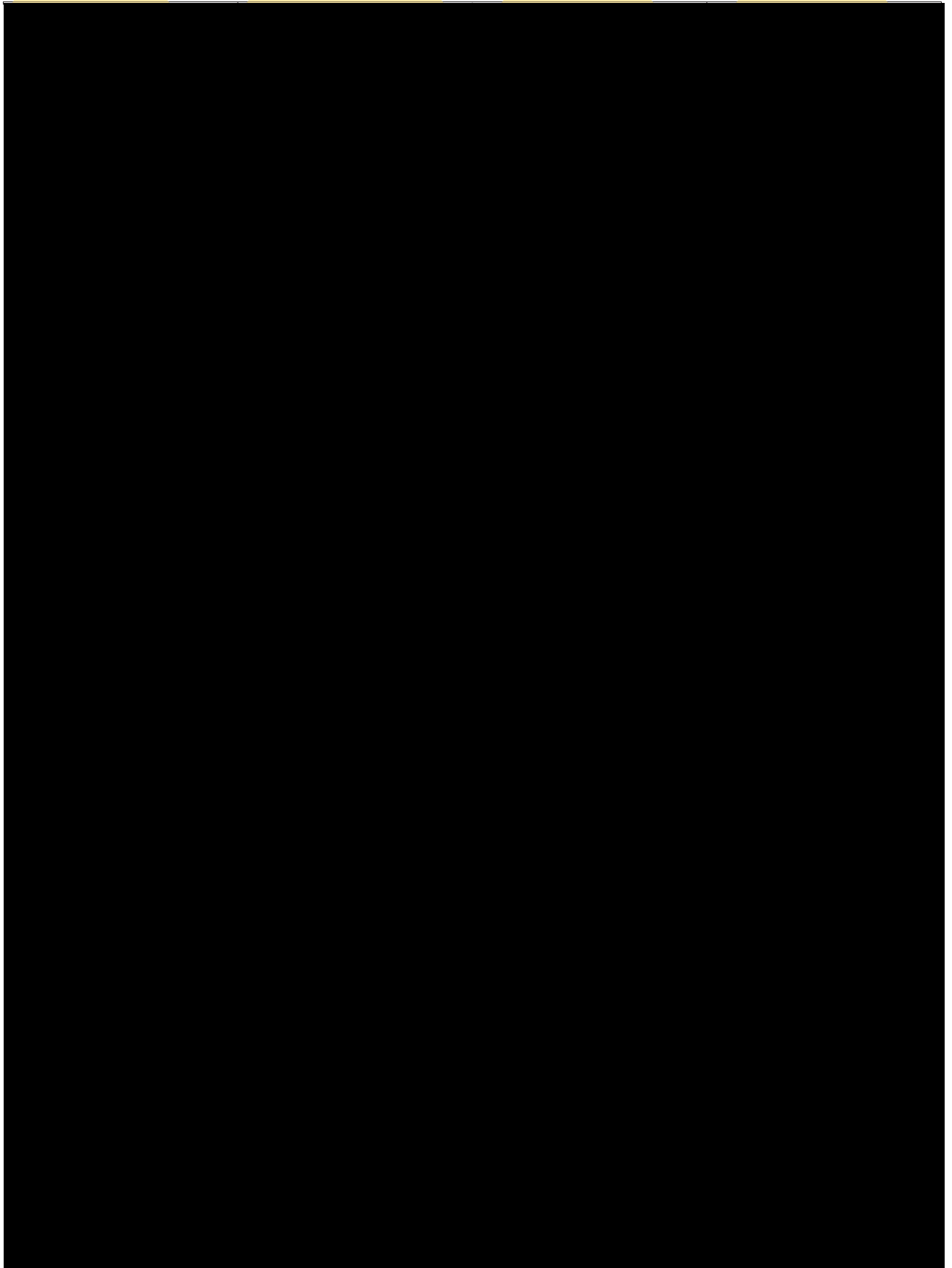
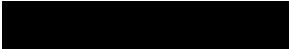


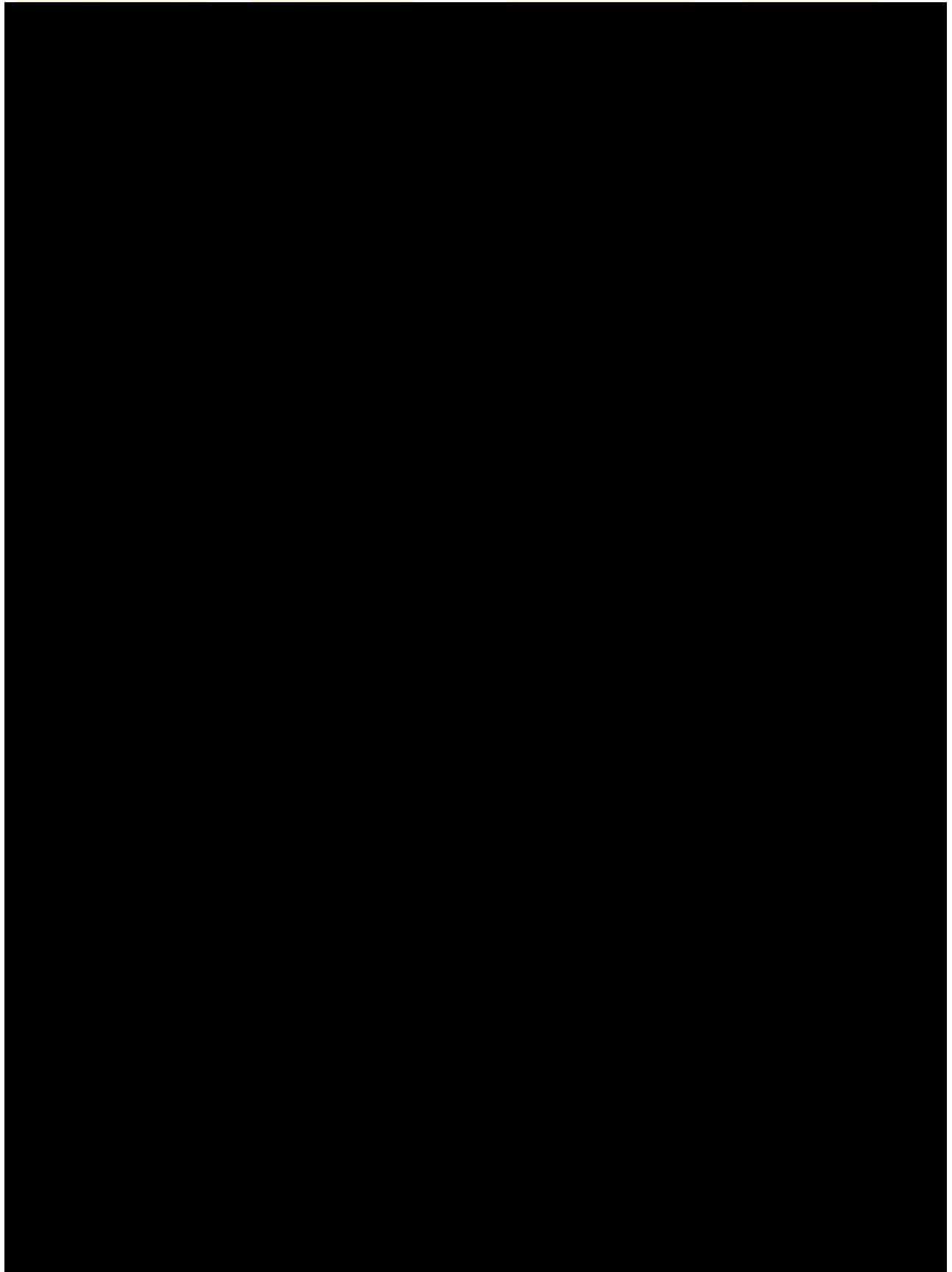
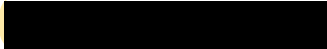


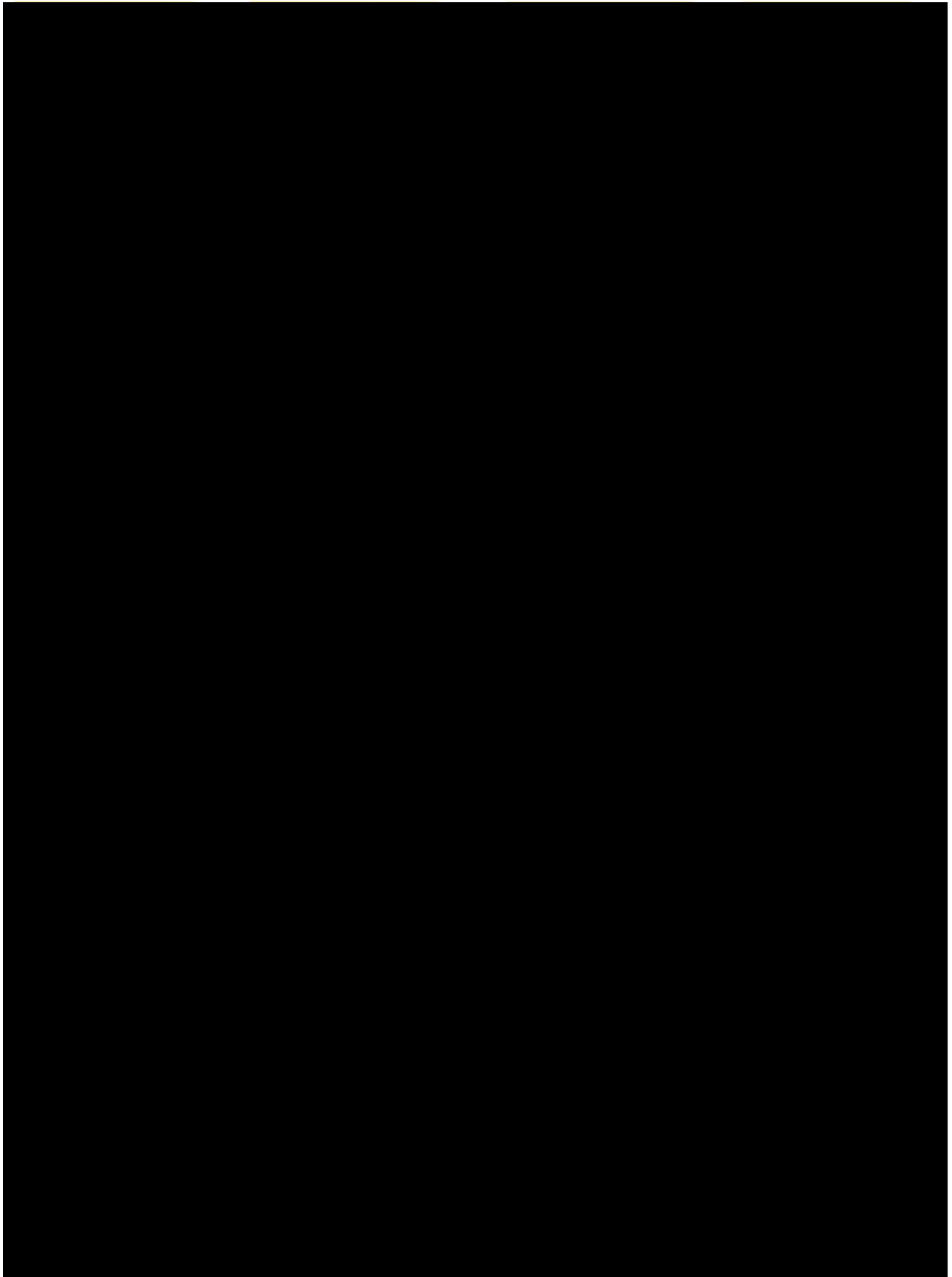


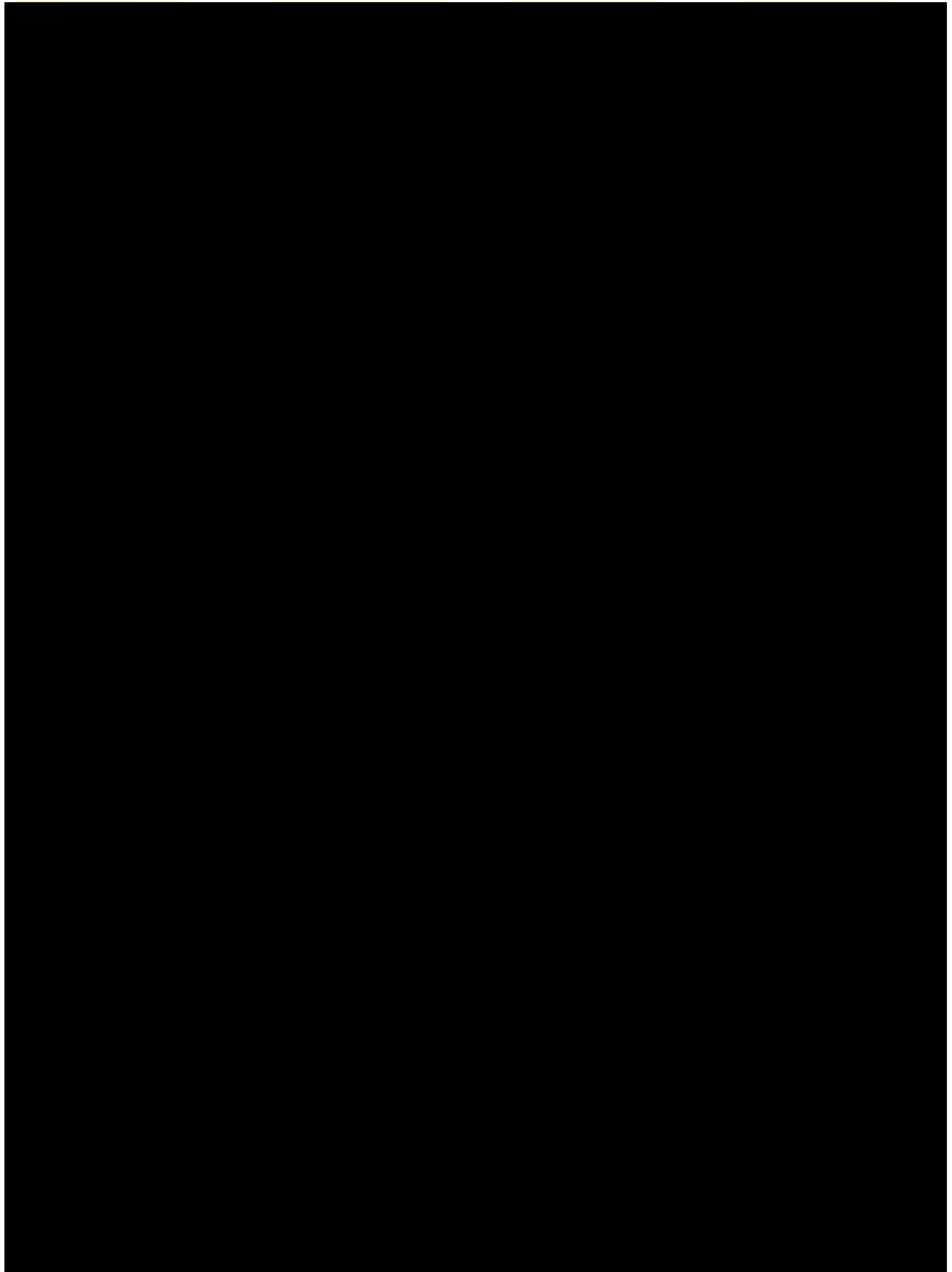
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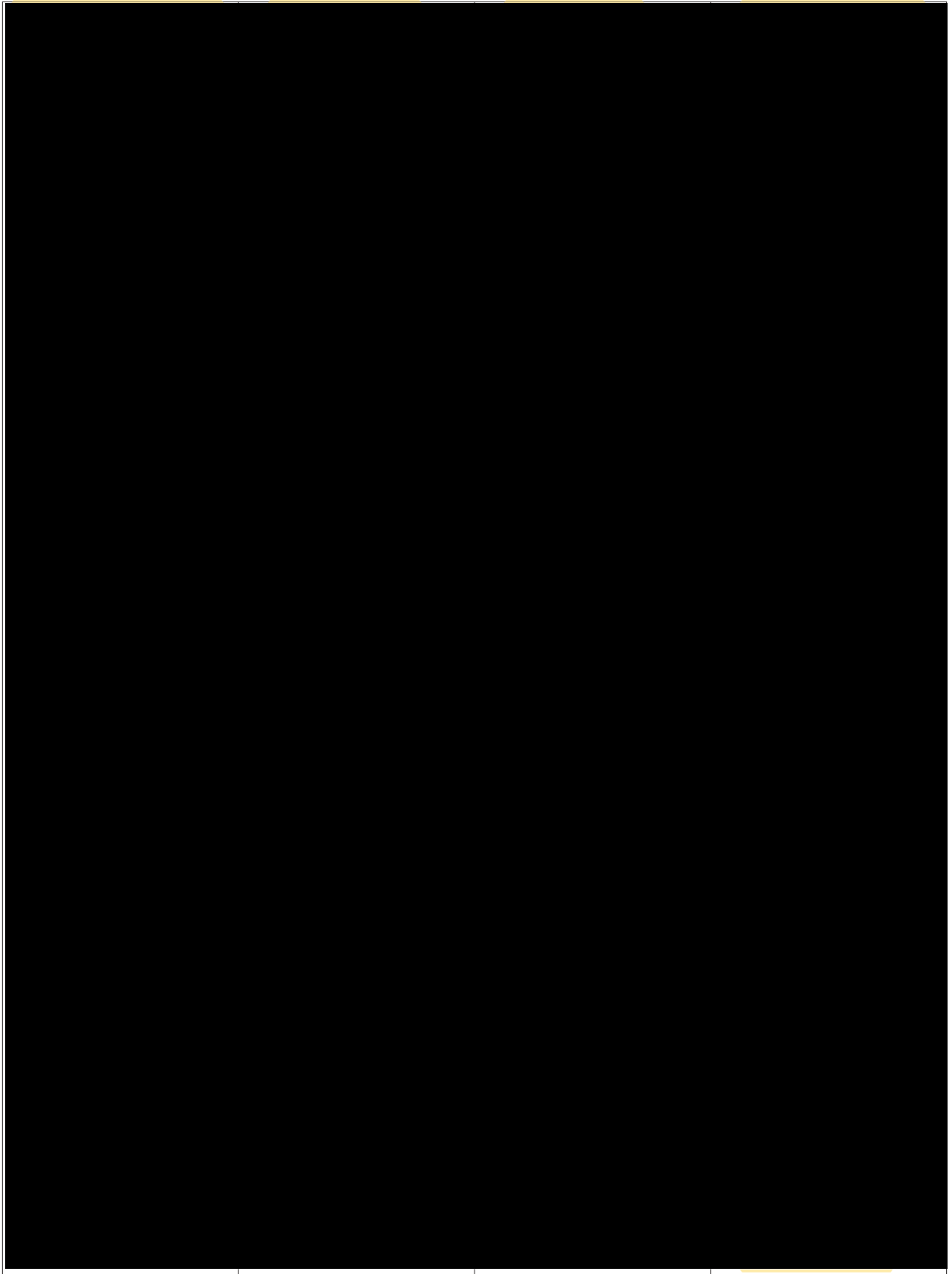
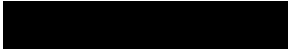


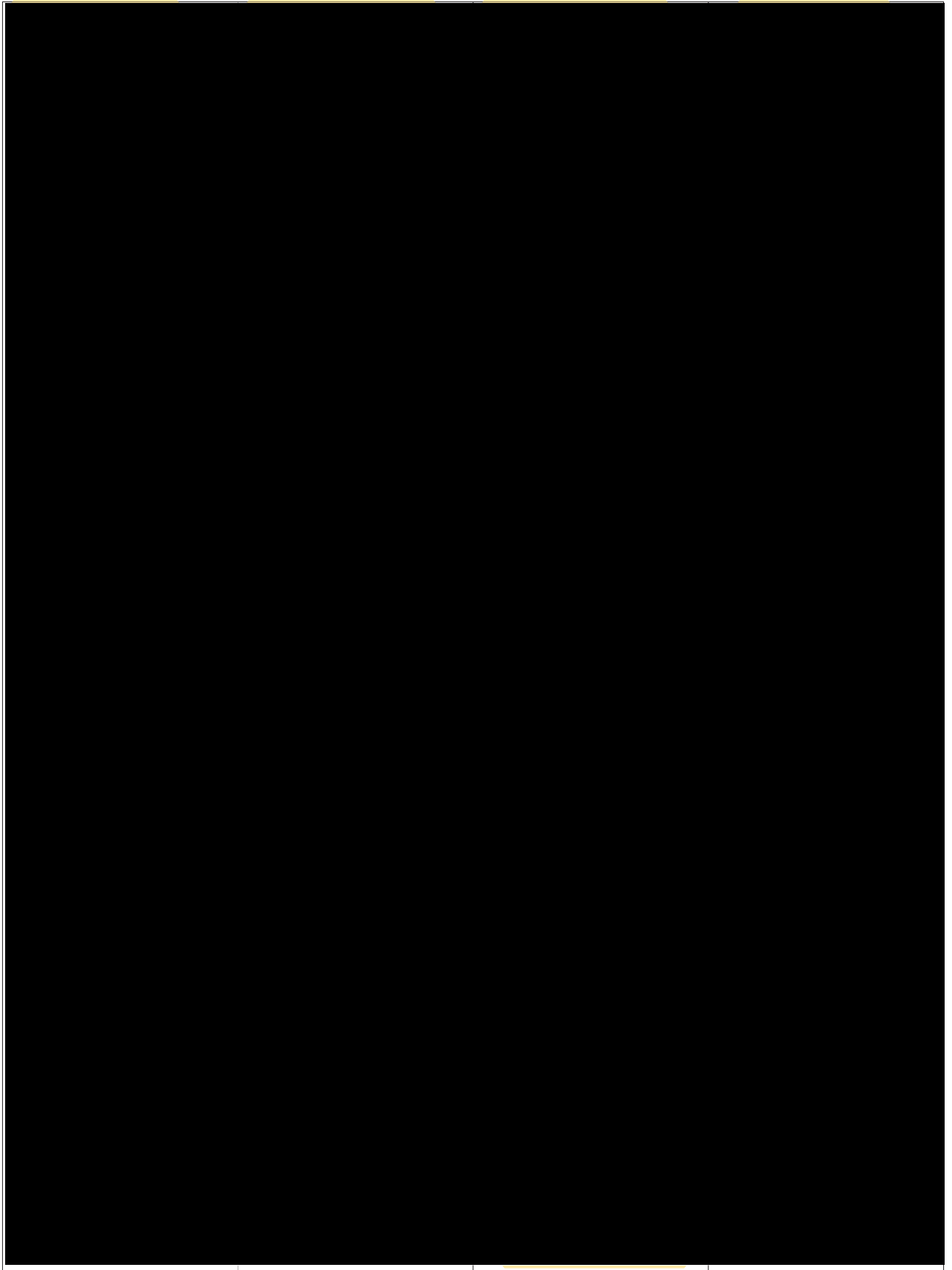


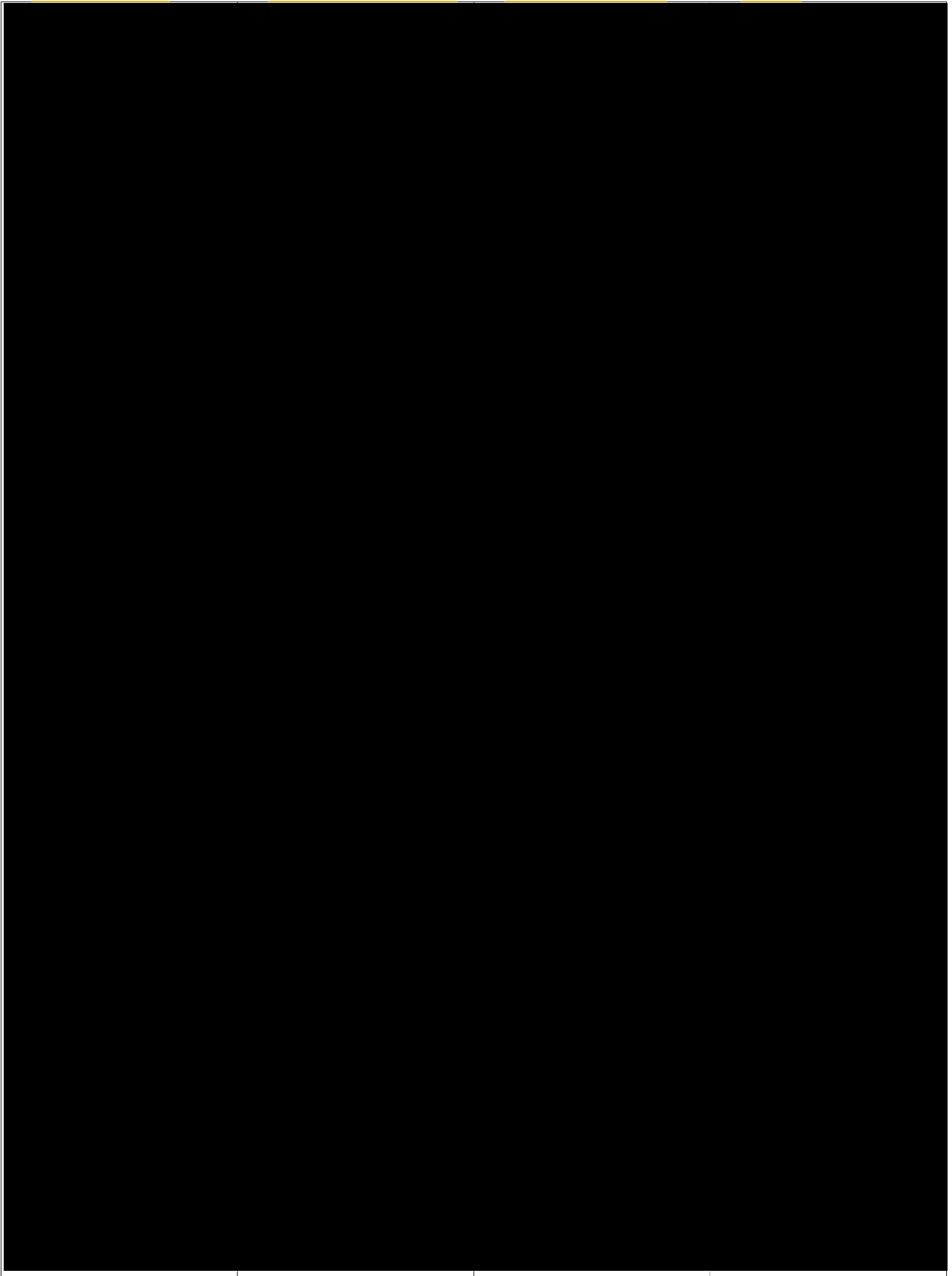


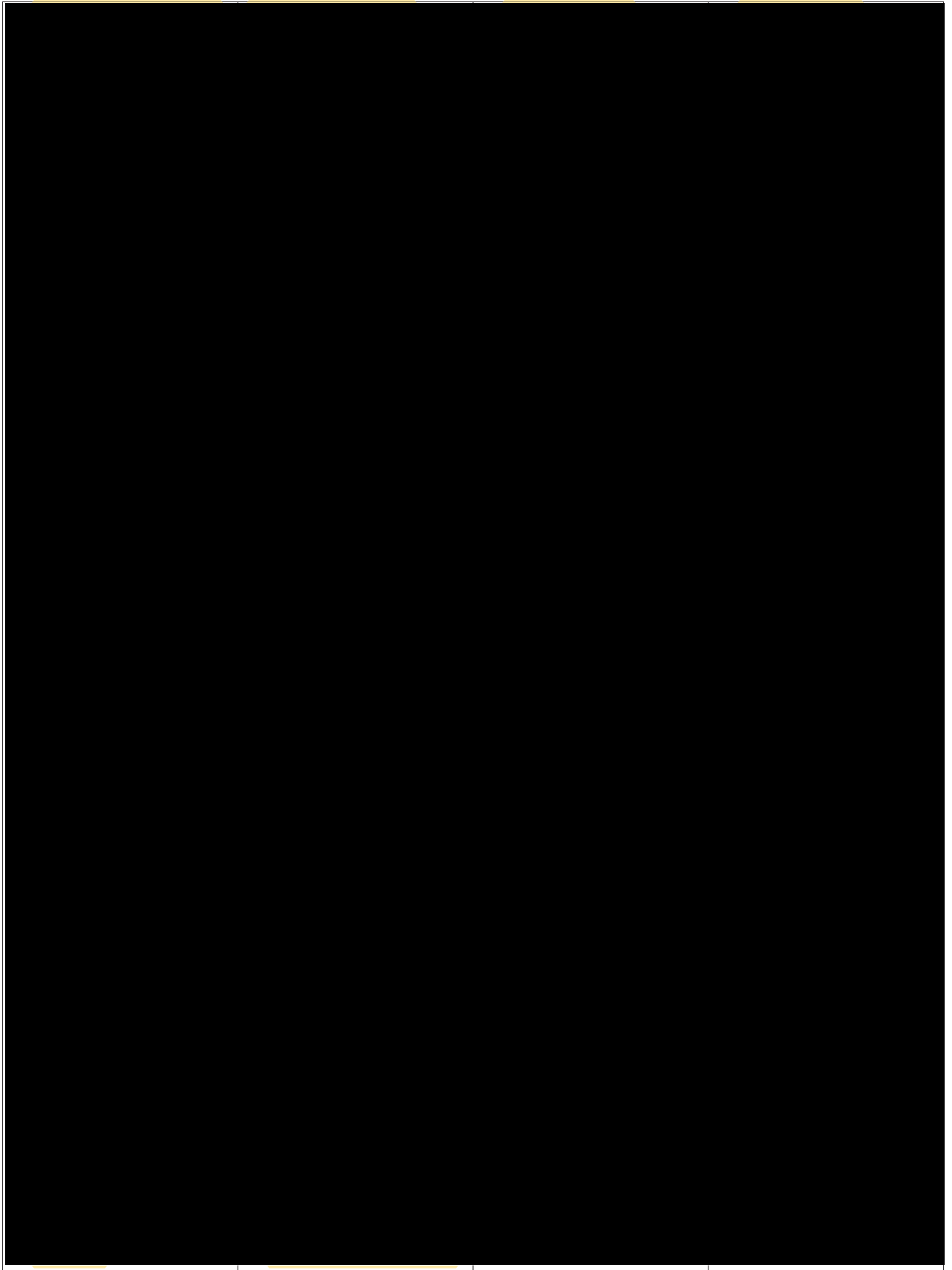
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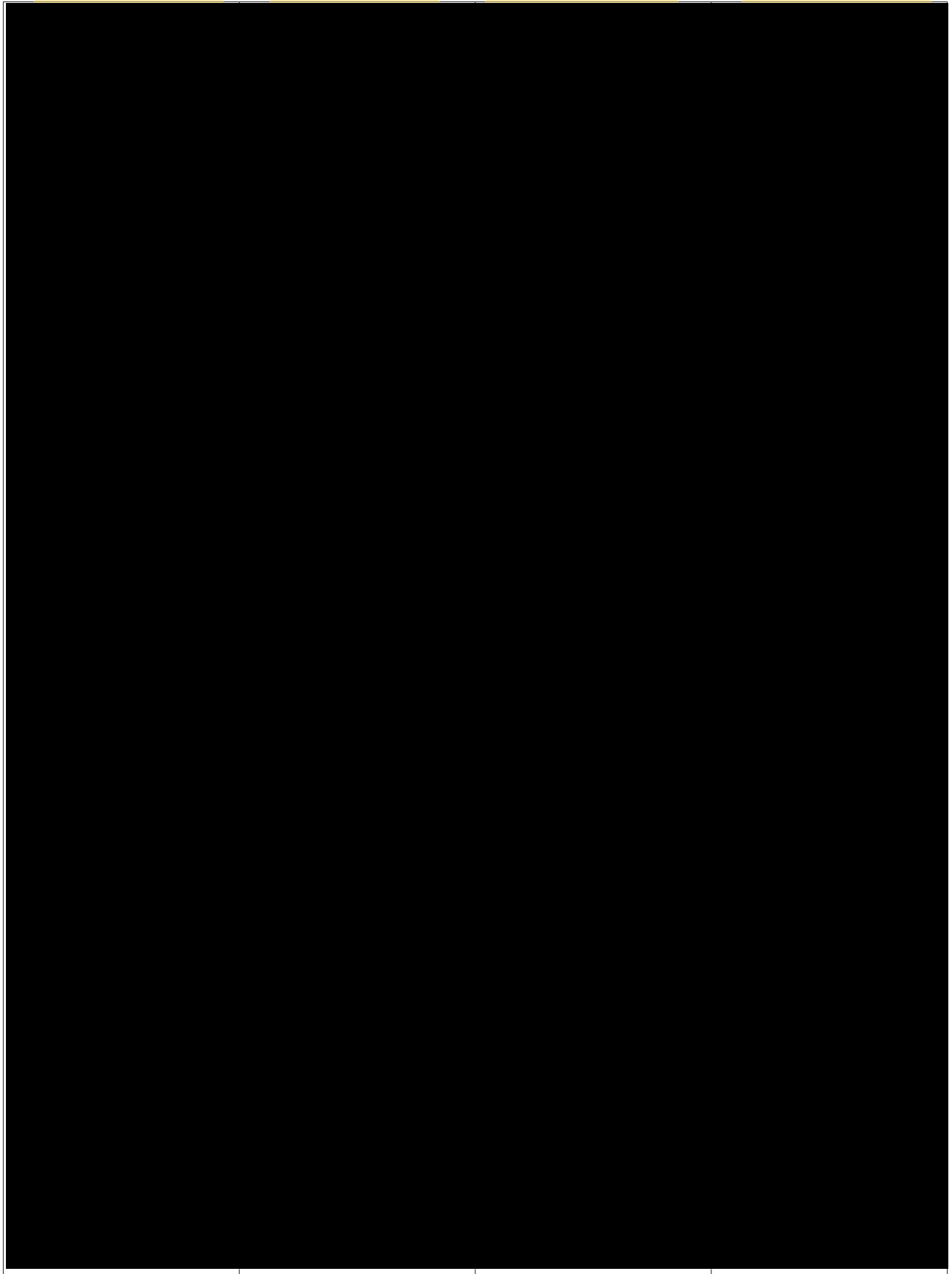
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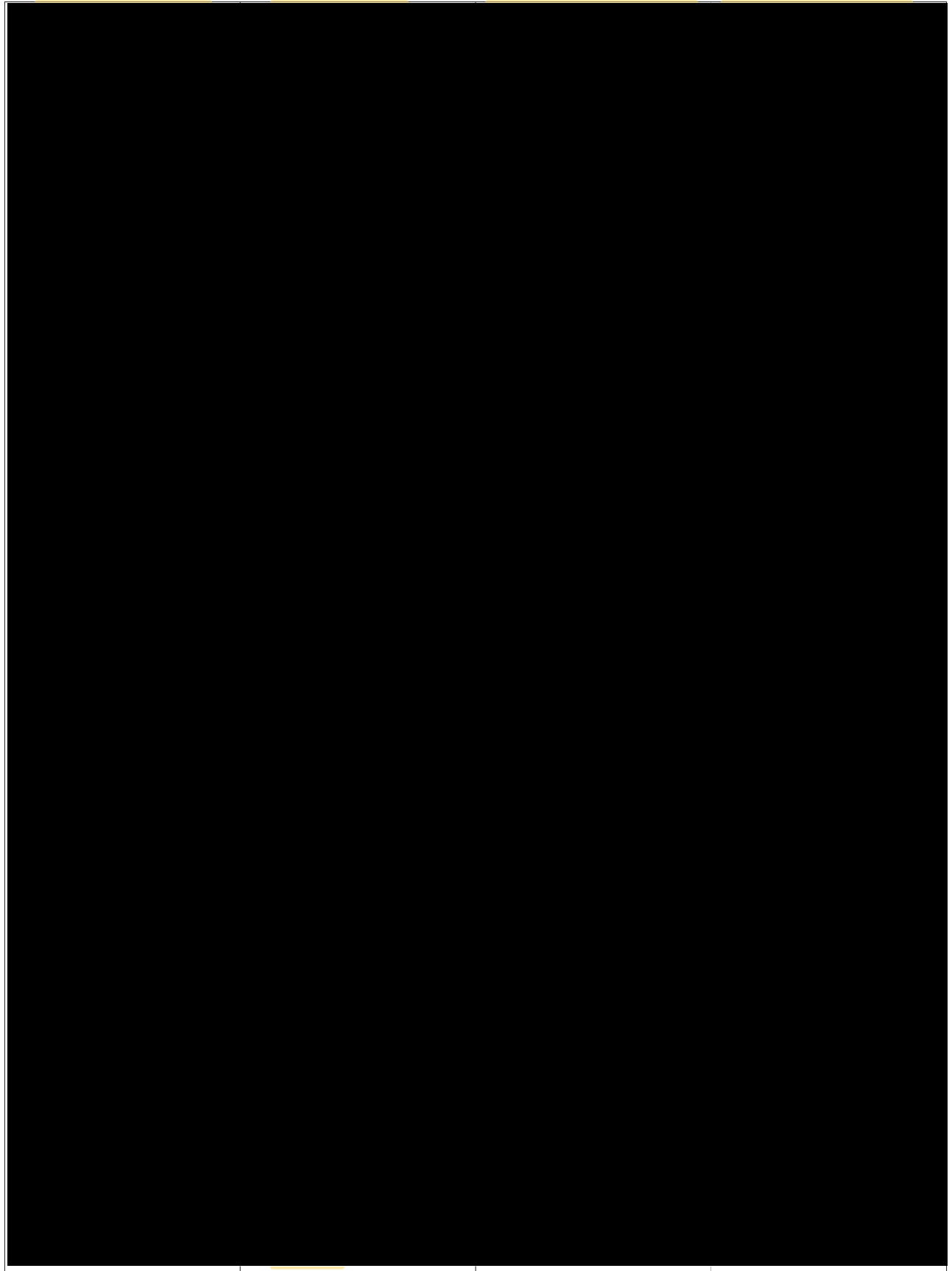


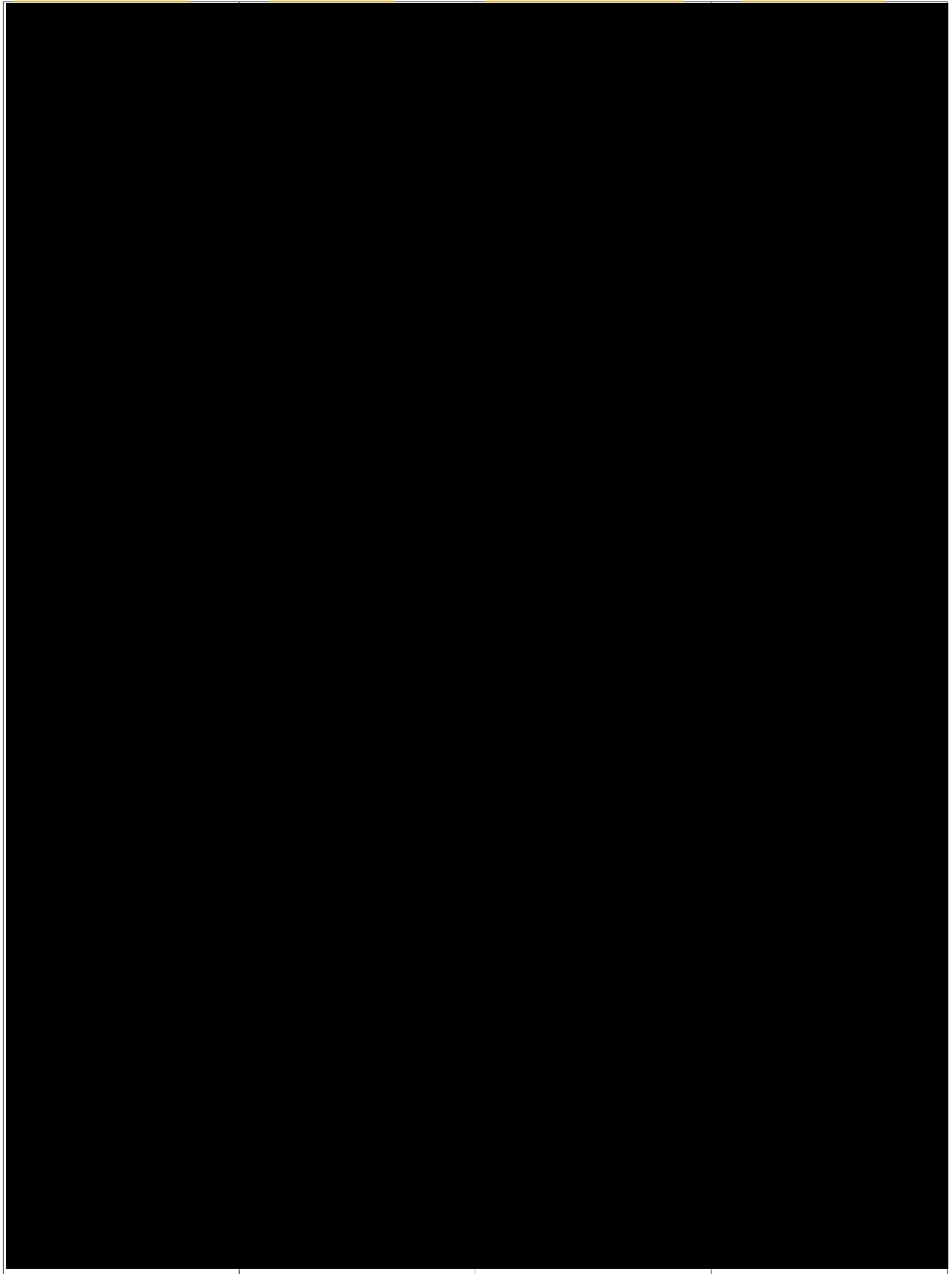


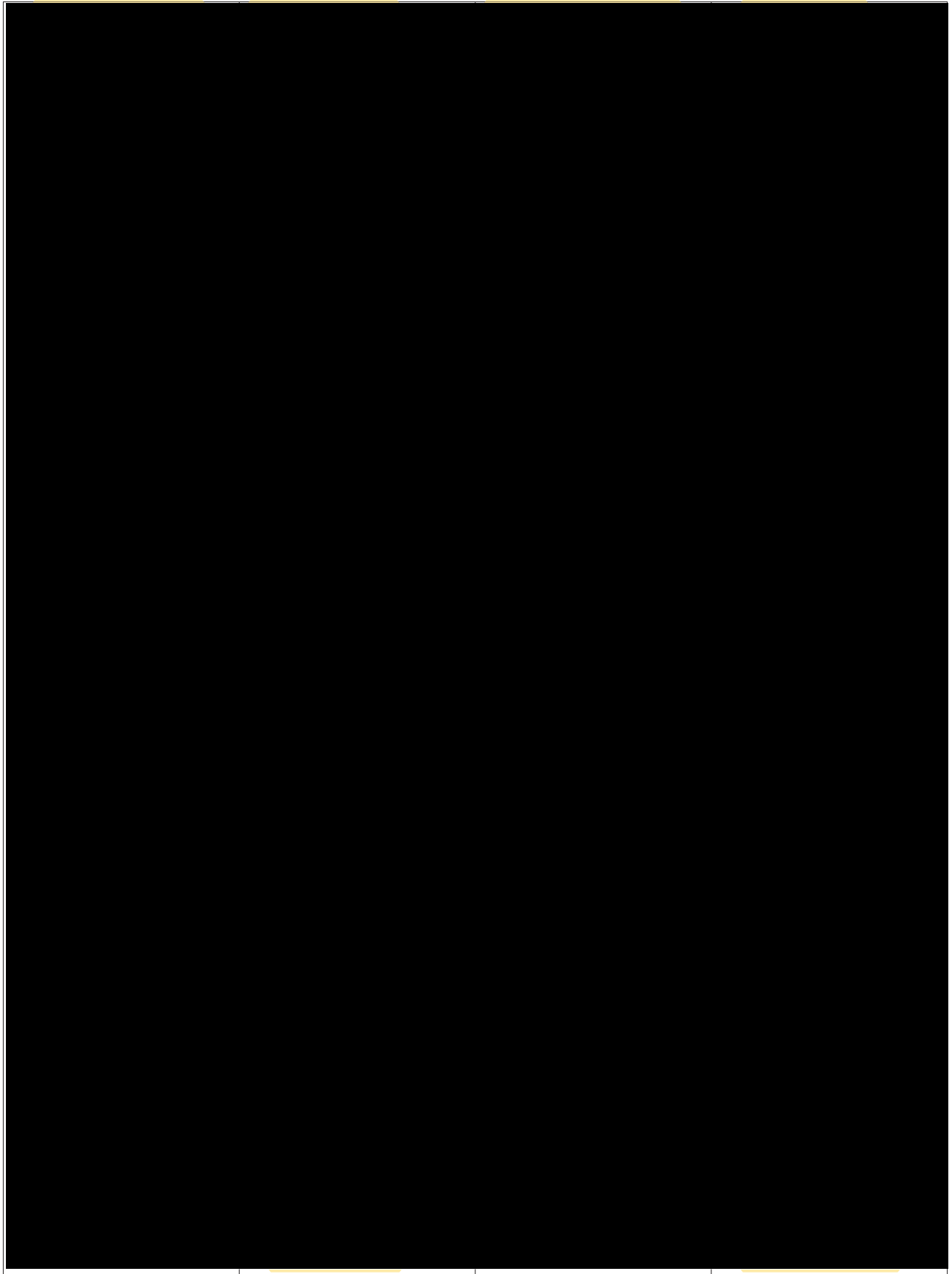


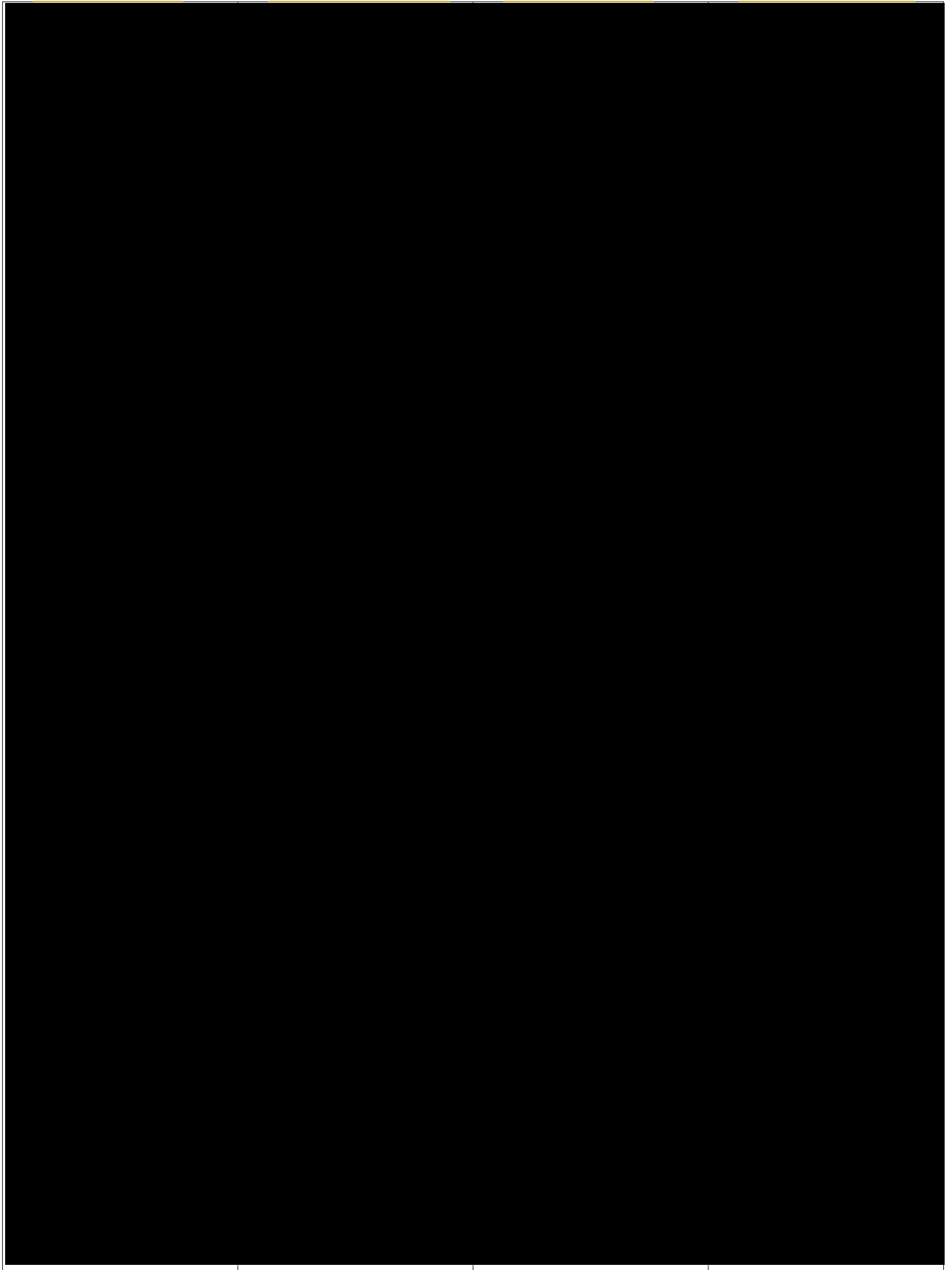


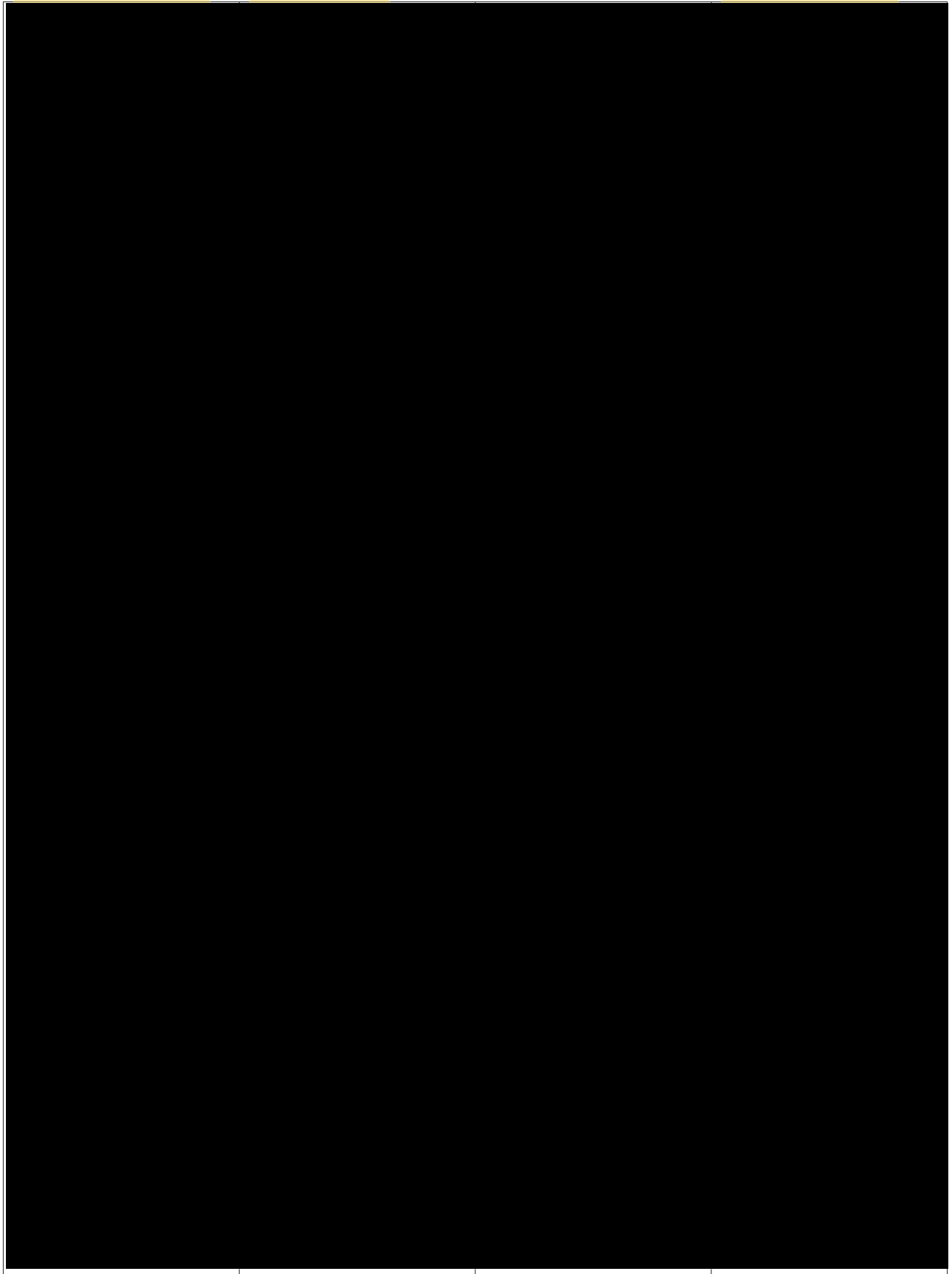


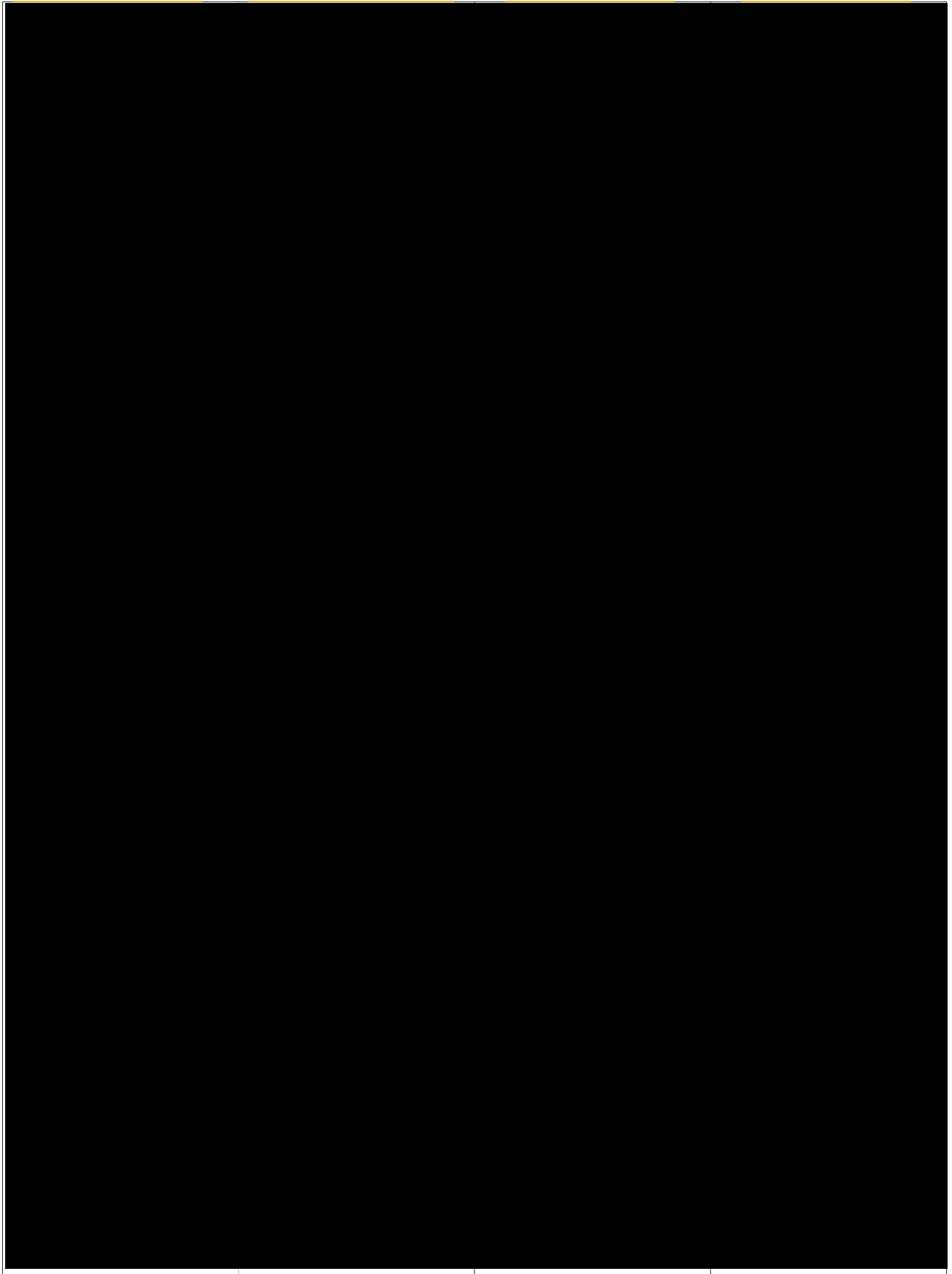


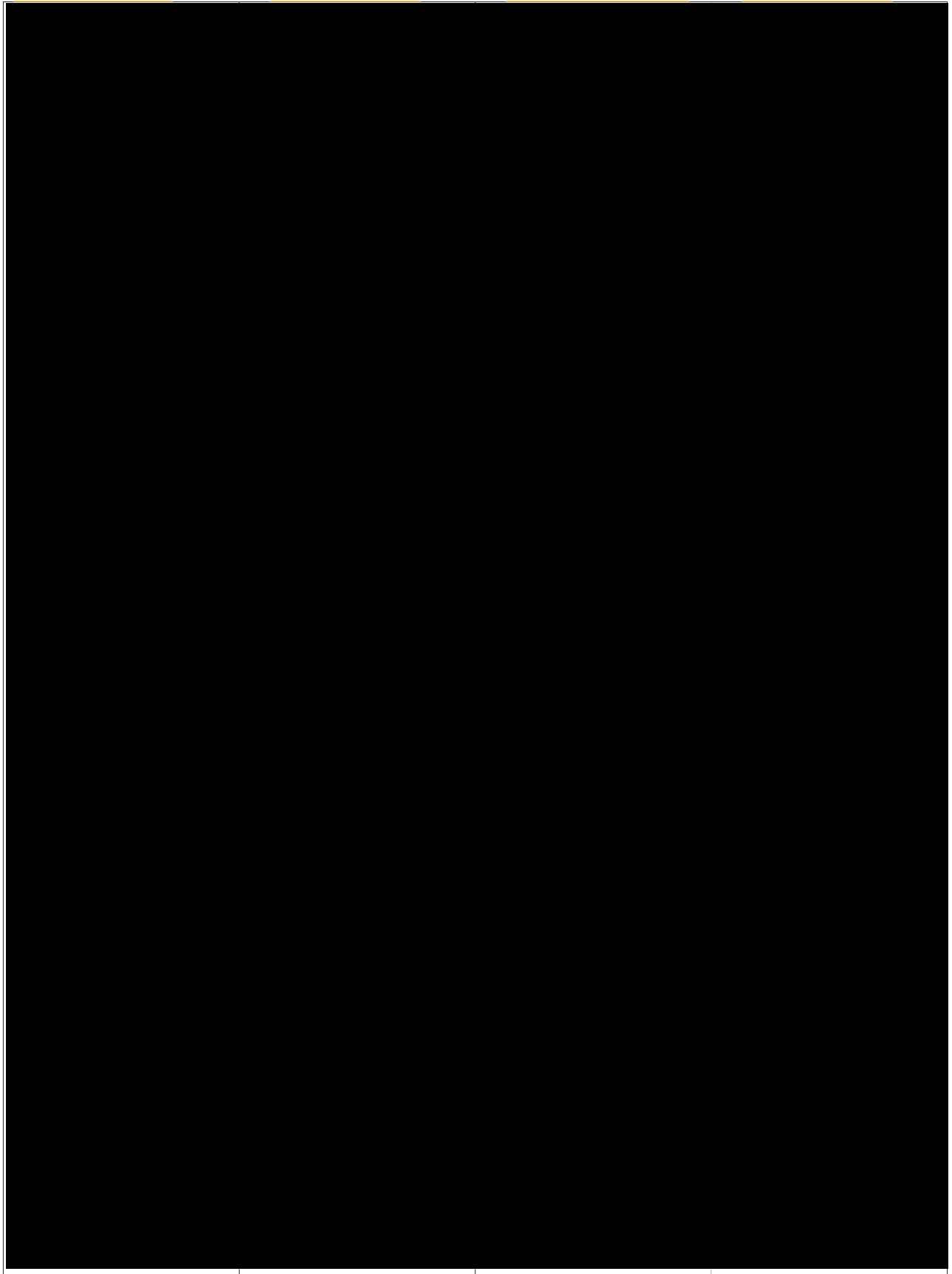


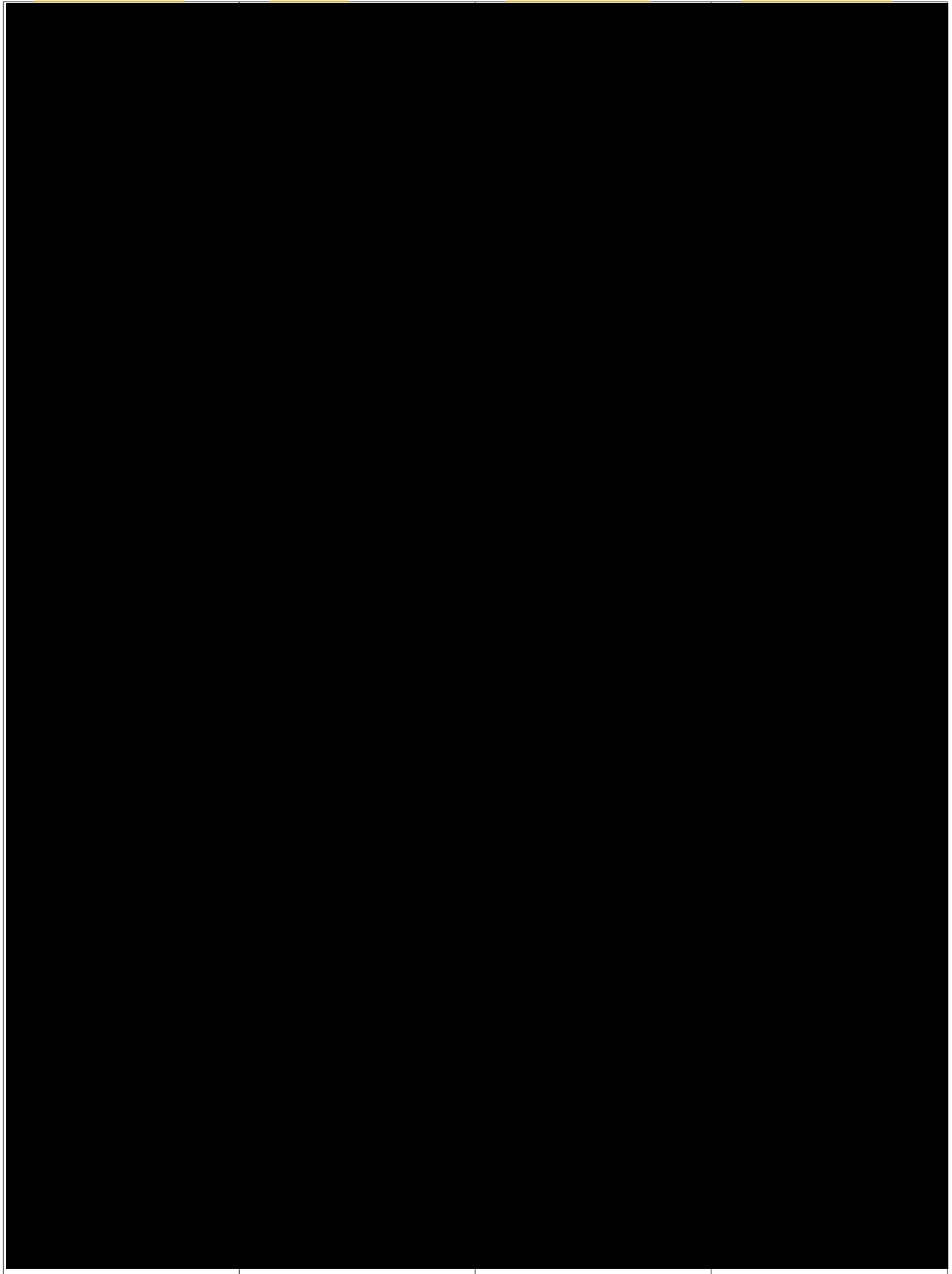
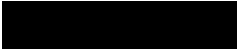


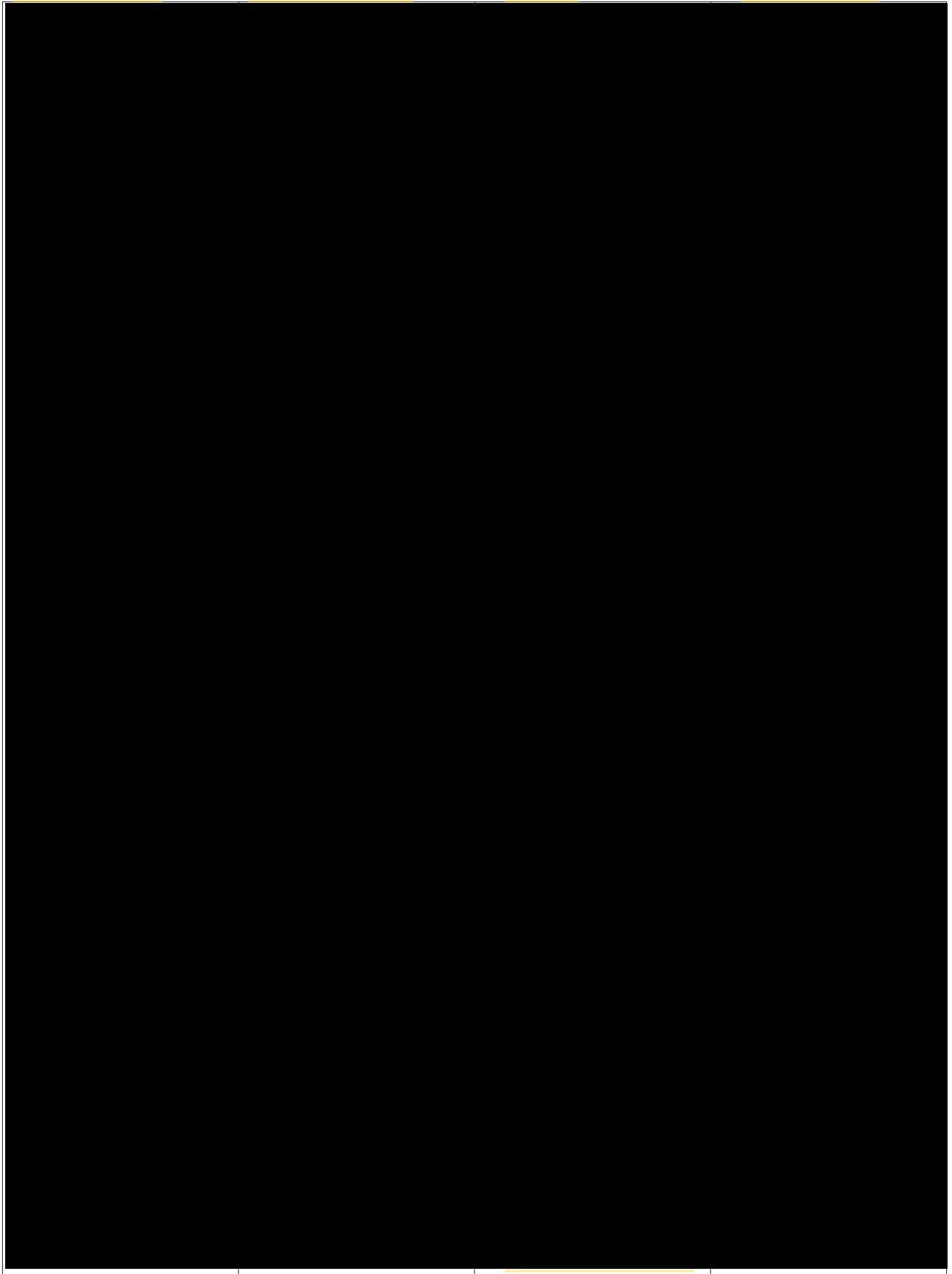


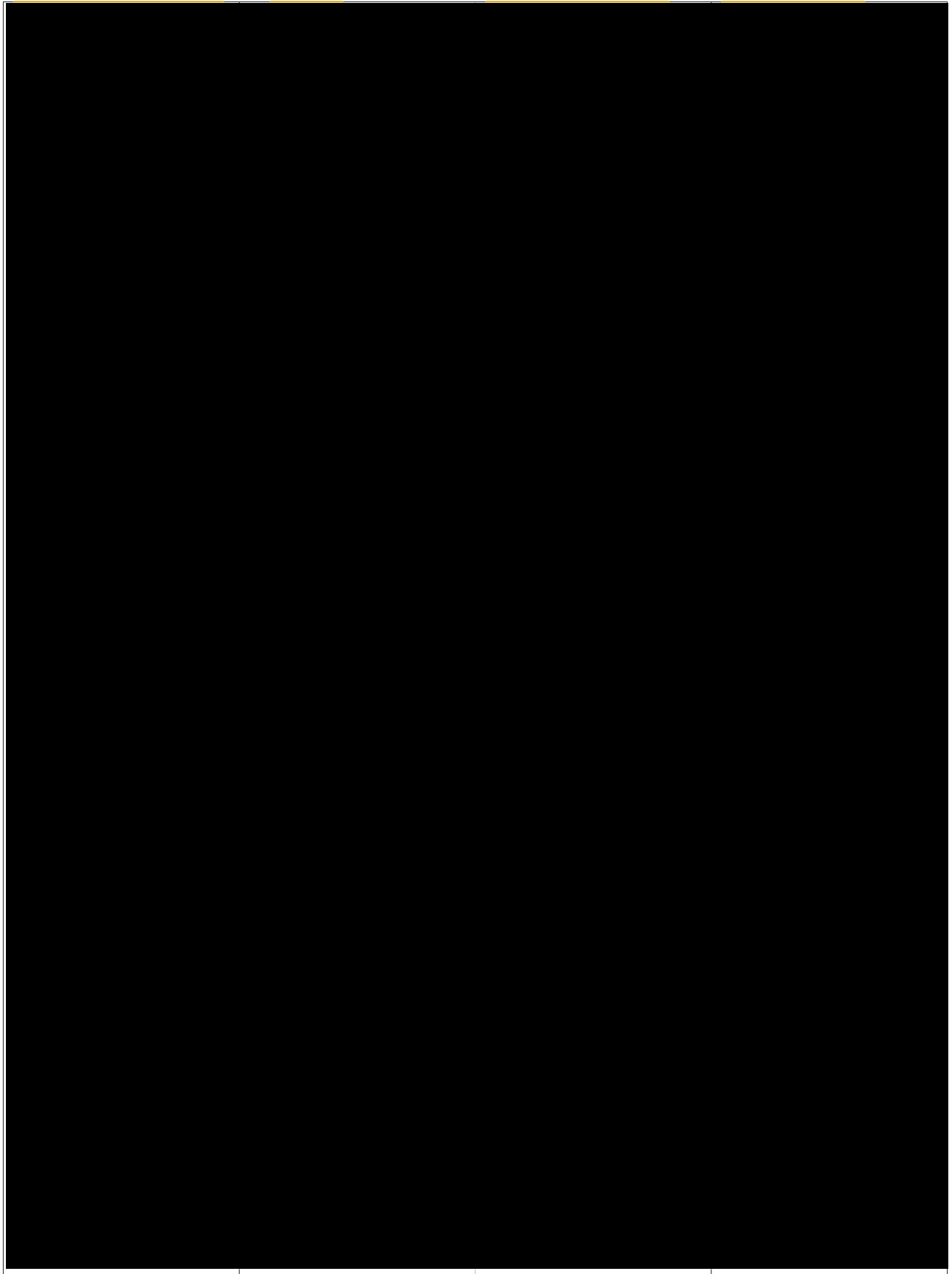
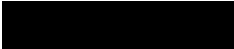


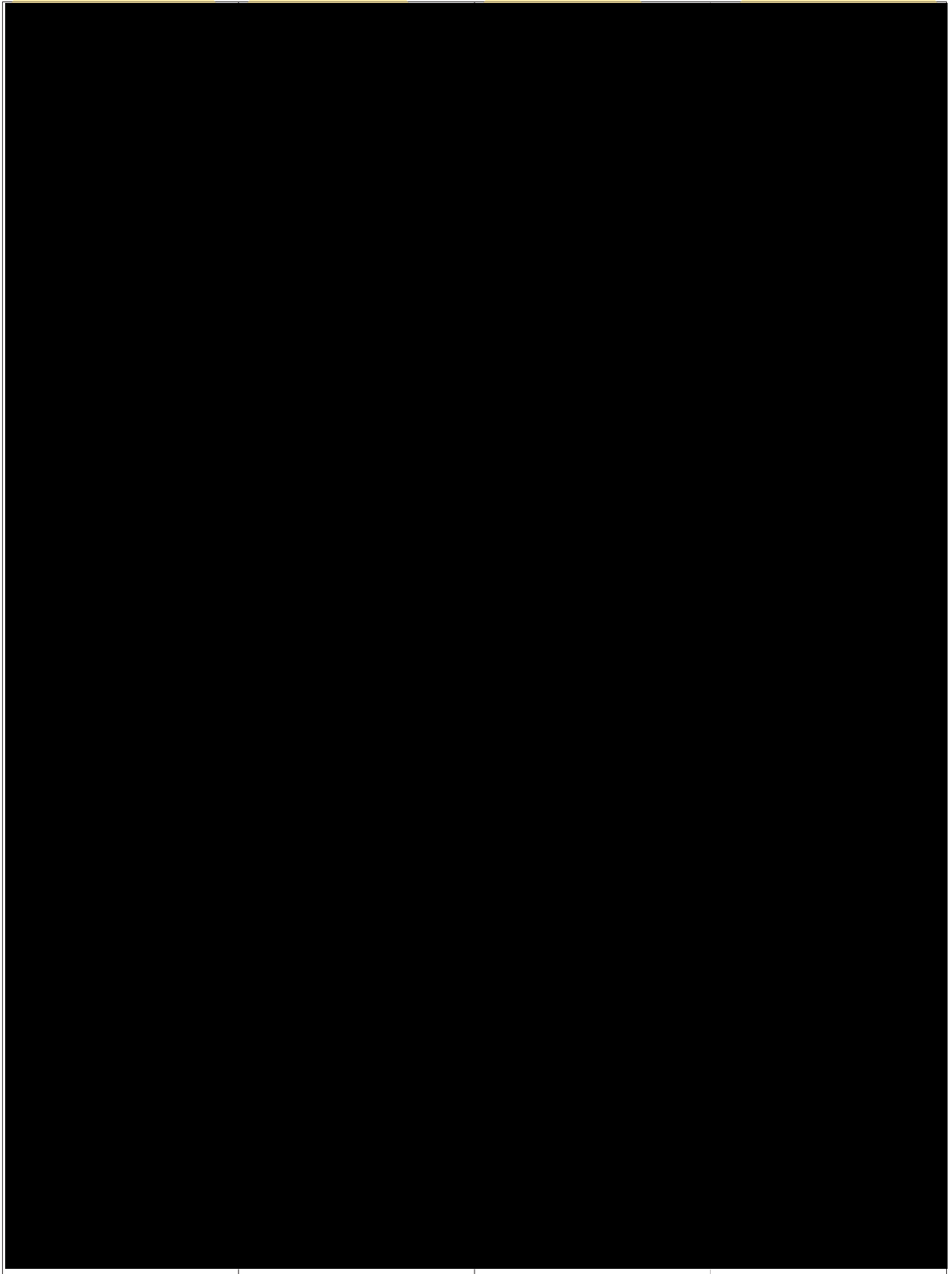
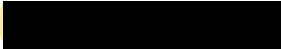


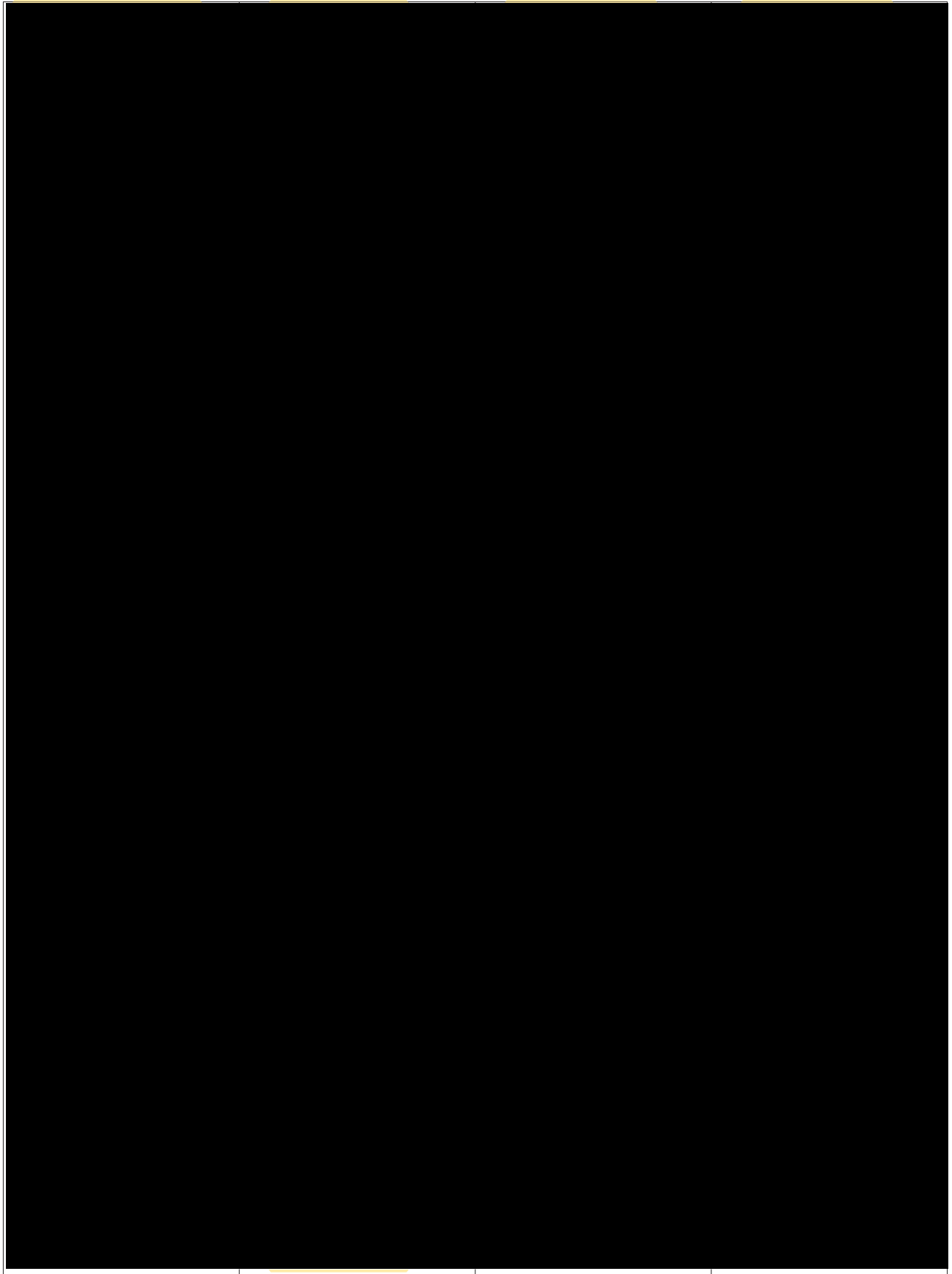


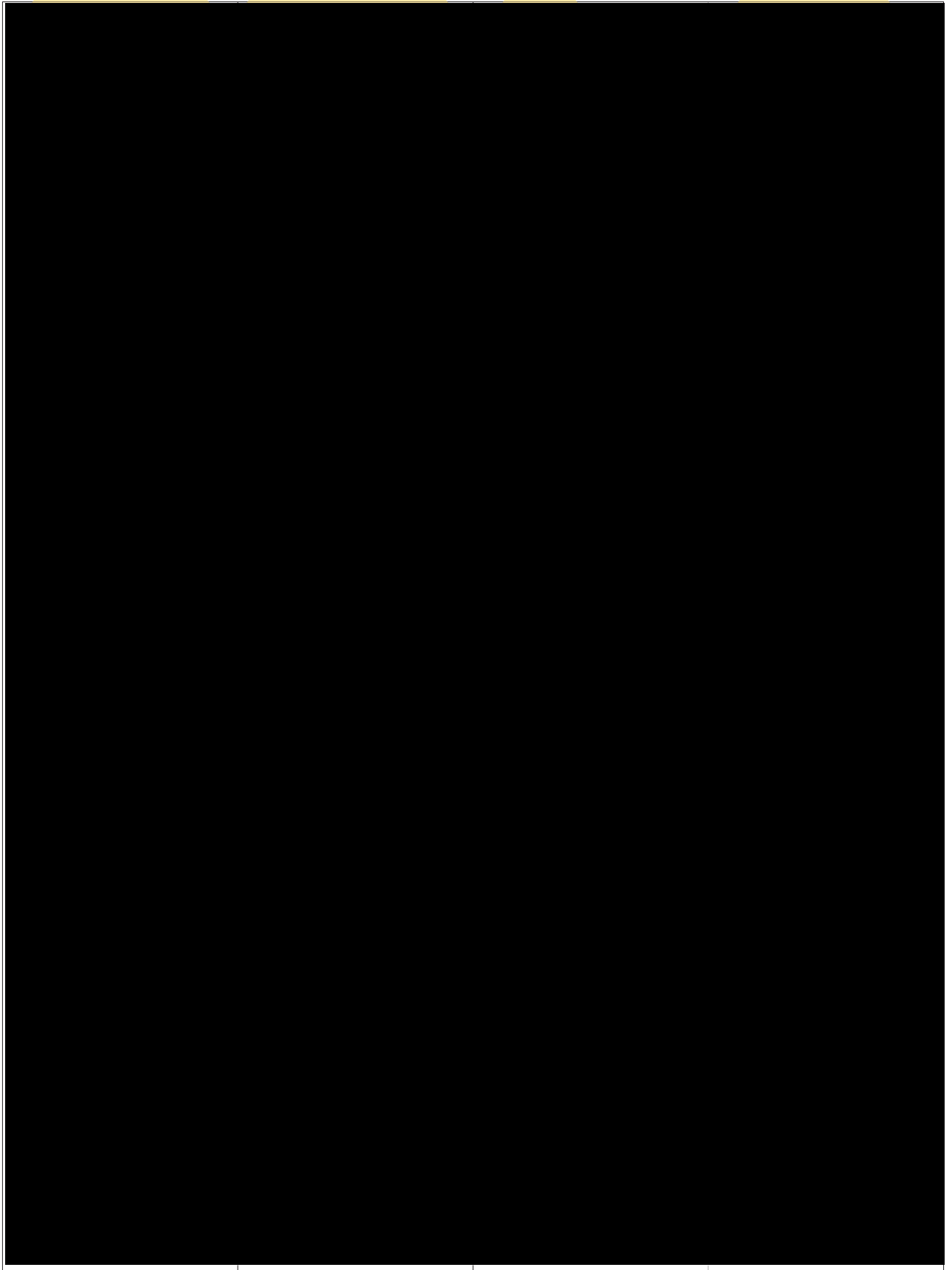


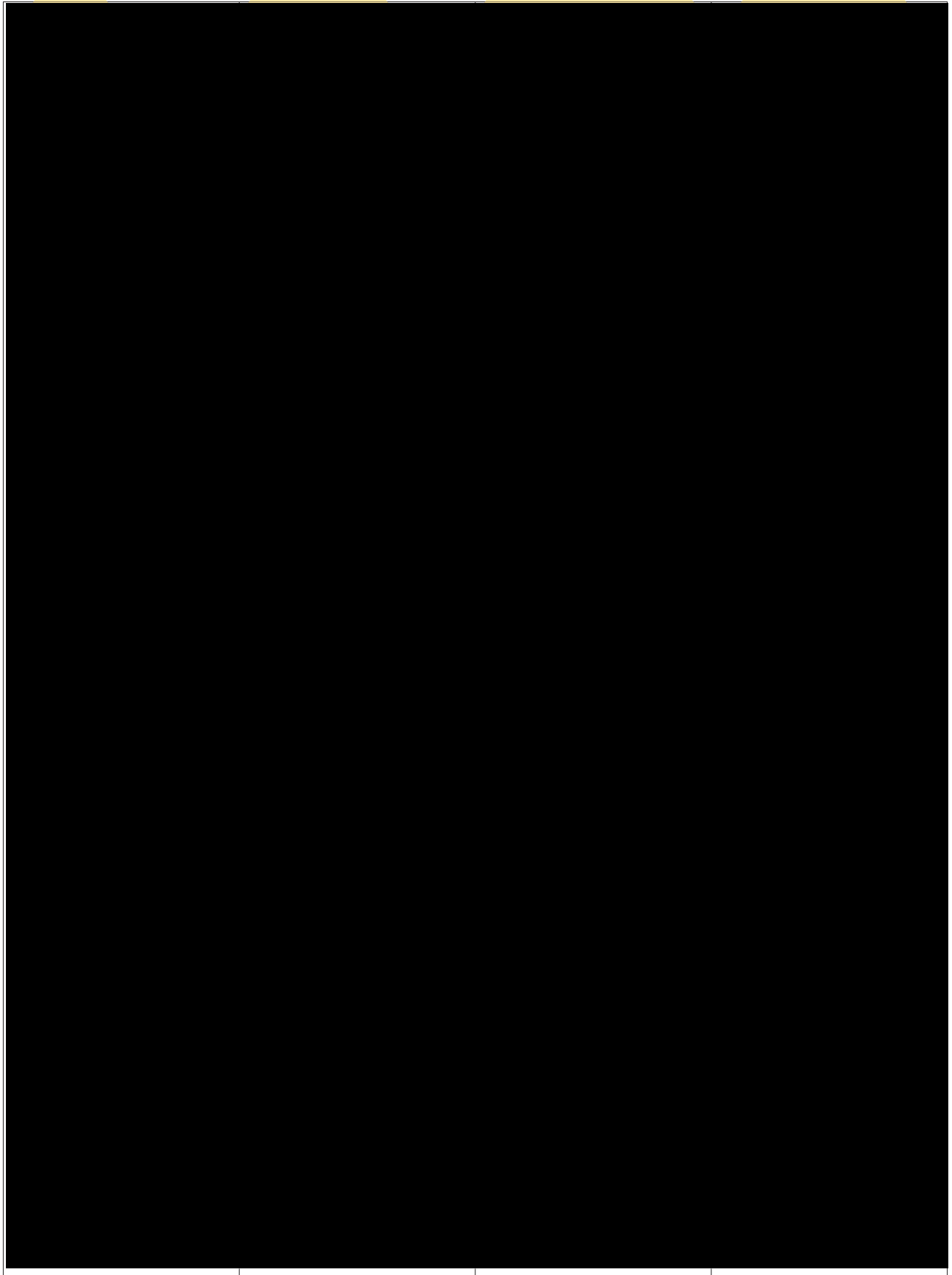


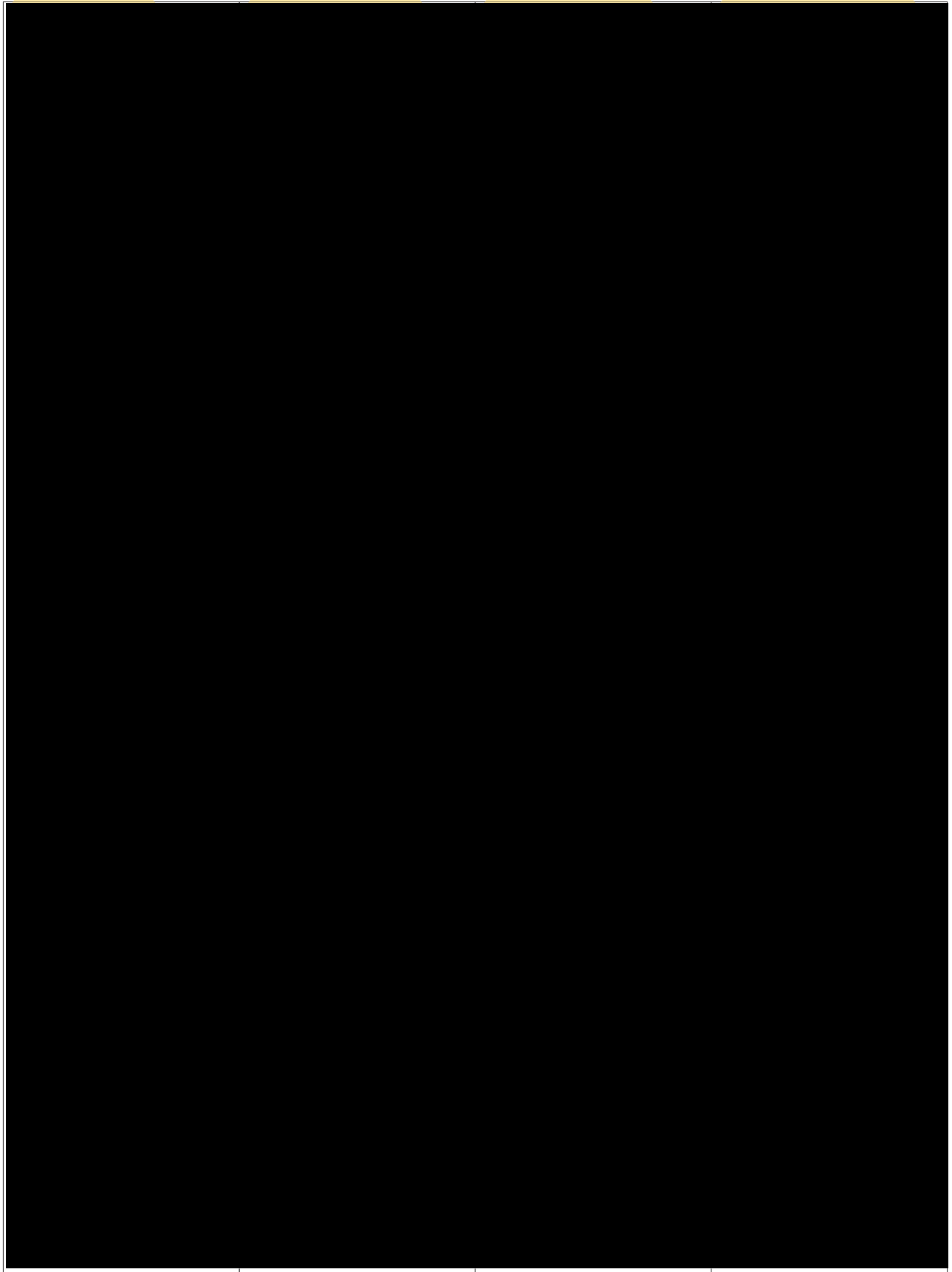


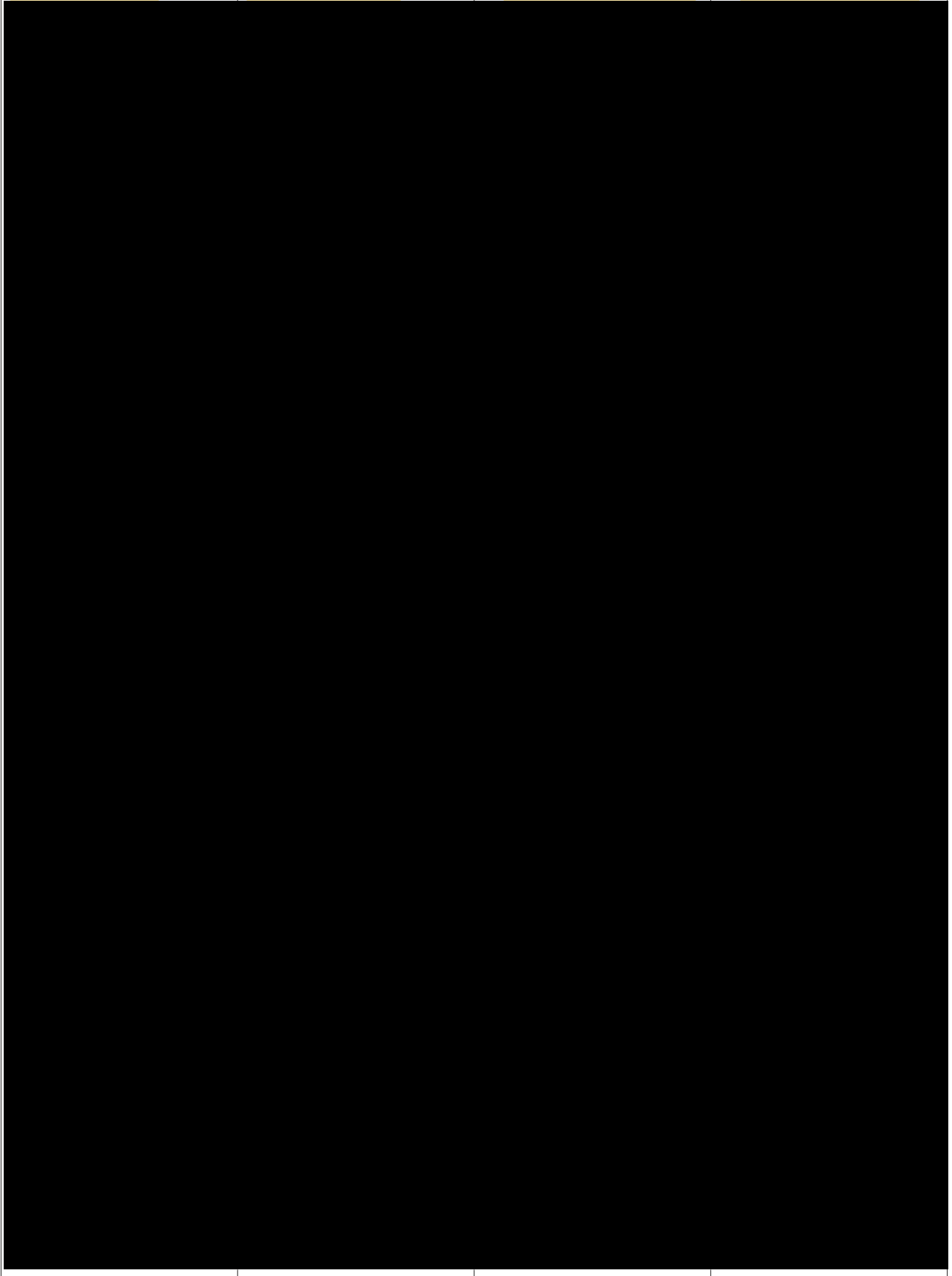






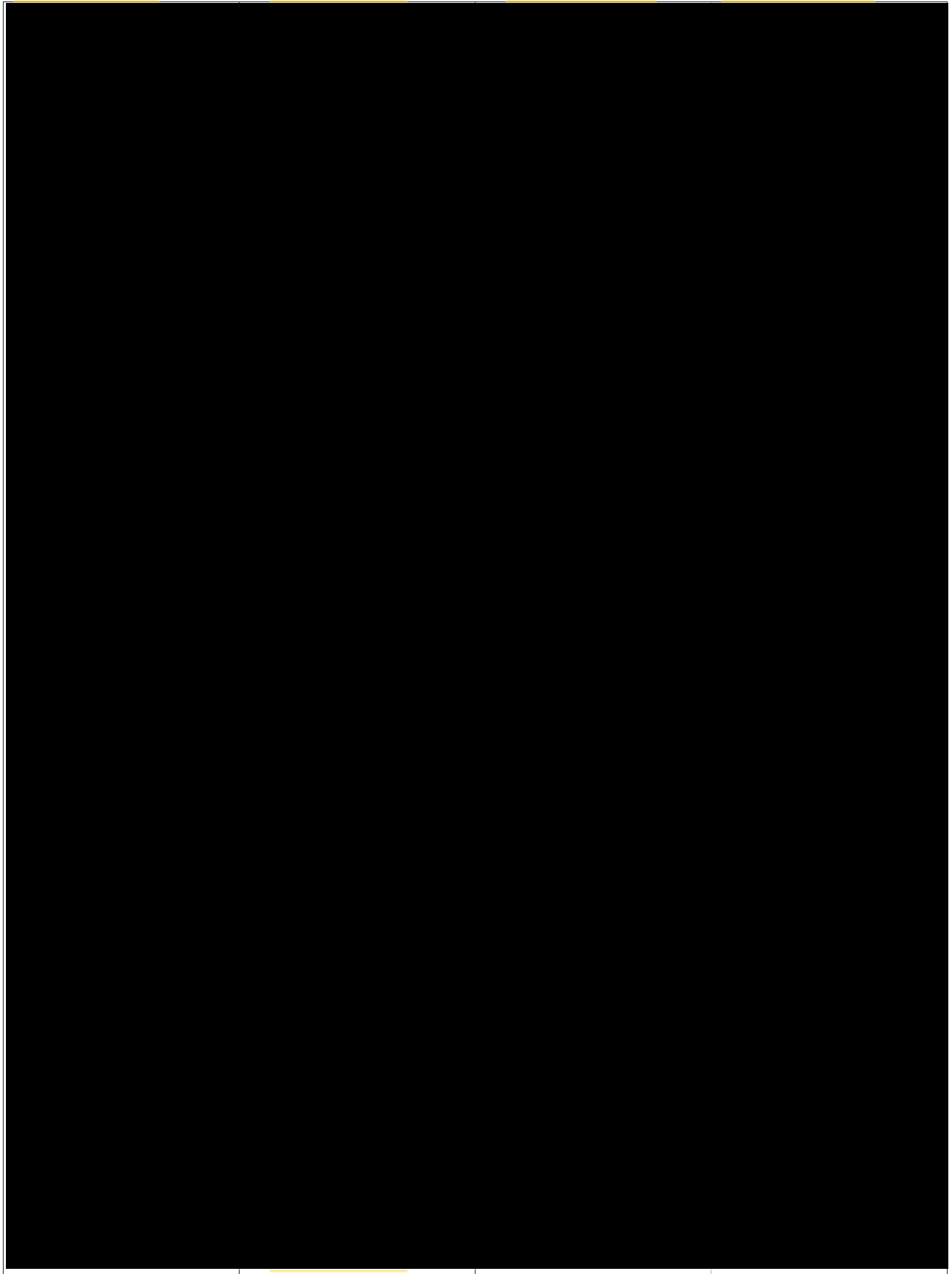
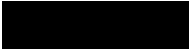


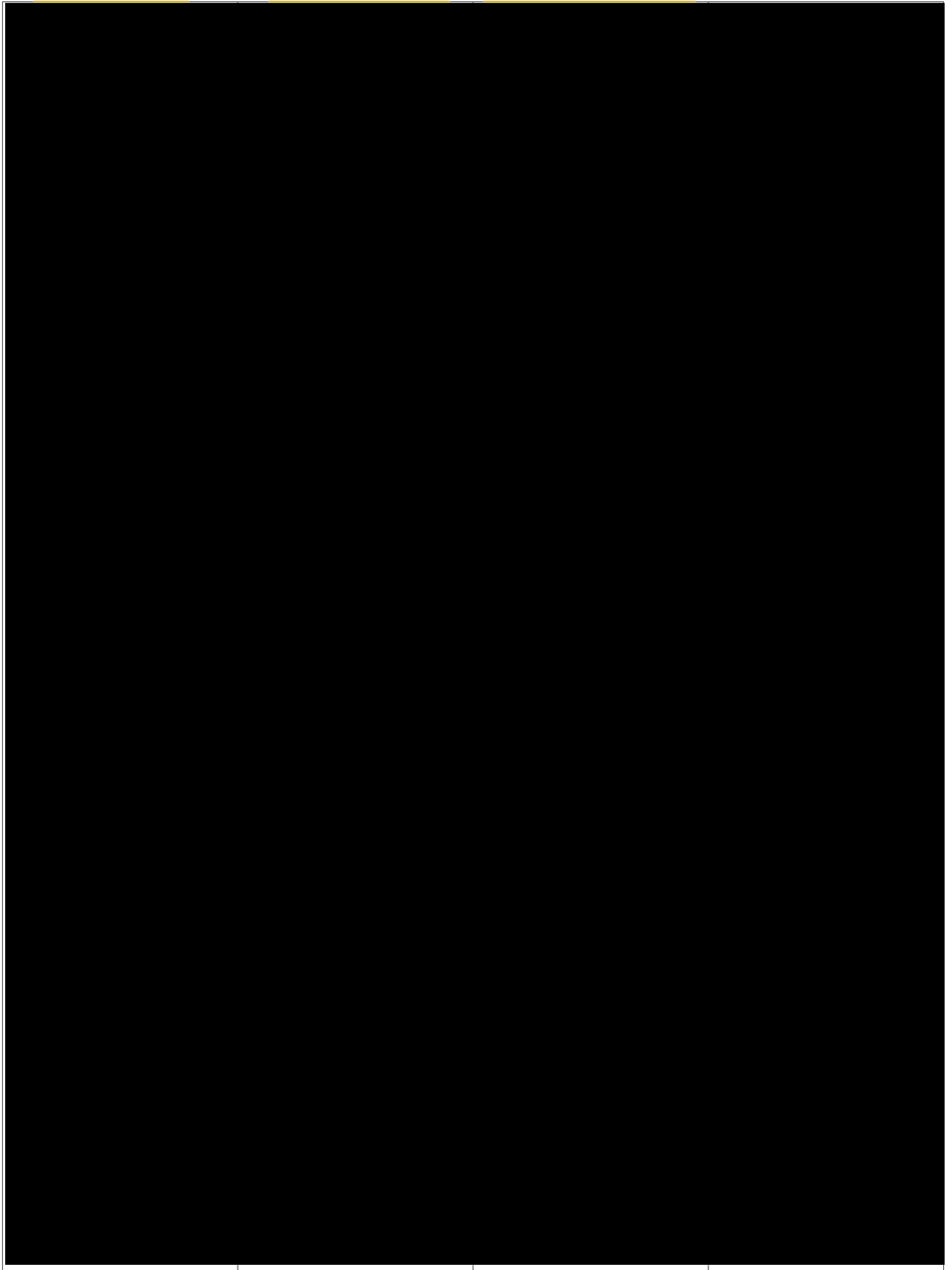




[REDACTED]

[REDACTED]





[REDACTED]

[REDACTED]

[yeah - zoom]

109:3 111:17 112:24 114:23 121:9,13 122:22 133:17 141:21 163:12,12 174:24 189:17 210:3 212:4 215:21 223:4 year 90:1,10,18 91:18,25 105:3 111:18,18 159:22 159:24 160:5,7,8,9 211:4 years 30:8 31:2 33:21 63:19 78:12 79:17 86:4 89:18 90:2 92:18 106:3 107:1,1,8 108:1 110:10 yesterday 31:19 80:15 173:21 174:15 yoga 58:18,19,21 58:21
z
z 55:5 zoom 1:16 2:17

Federal Rules of Civil Procedure

Rule 30

(e) Review By the Witness; Changes.

(1) Review; Statement of Changes. On request by the deponent or a party before the deposition is completed, the deponent must be allowed 30 days after being notified by the officer that the transcript or recording is available in which:

(A) to review the transcript or recording; and

(B) if there are changes in form or substance, to sign a statement listing the changes and the reasons for making them.

(2) Changes Indicated in the Officer's Certificate. The officer must note in the certificate prescribed by Rule 30(f)(1) whether a review was requested and, if so, must attach any changes the deponent makes during the 30-day period.

DISCLAIMER: THE FOREGOING FEDERAL PROCEDURE RULES ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY.

THE ABOVE RULES ARE CURRENT AS OF APRIL 1, 2019. PLEASE REFER TO THE APPLICABLE FEDERAL RULES OF CIVIL PROCEDURE FOR UP-TO-DATE INFORMATION.

VERITEXT LEGAL SOLUTIONS
COMPANY CERTIFICATE AND DISCLOSURE STATEMENT

Veritext Legal Solutions represents that the foregoing transcript is a true, correct and complete transcript of the colloquies, questions and answers as submitted by the court reporter. Veritext Legal Solutions further represents that the attached exhibits, if any, are true, correct and complete documents as submitted by the court reporter and/or attorneys in relation to this deposition and that the documents were processed in accordance with our litigation support and production standards.

Veritext Legal Solutions is committed to maintaining the confidentiality of client and witness information, in accordance with the regulations promulgated under the Health Insurance Portability and Accountability Act (HIPAA), as amended with respect to protected health information and the Gramm-Leach-Bliley Act, as amended, with respect to Personally Identifiable Information (PII). Physical transcripts and exhibits are managed under strict facility and personnel access controls. Electronic files of documents are stored in encrypted form and are transmitted in an encrypted fashion to authenticated parties who are permitted to access the material. Our data is hosted in a Tier 4 SSAE 16 certified facility.

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